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# REPORT OF THE WATERLOO REGION REVIEW COMMISSION

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W.H. Palmer, Commissioner      March, 1979

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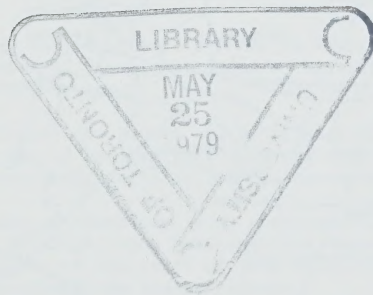
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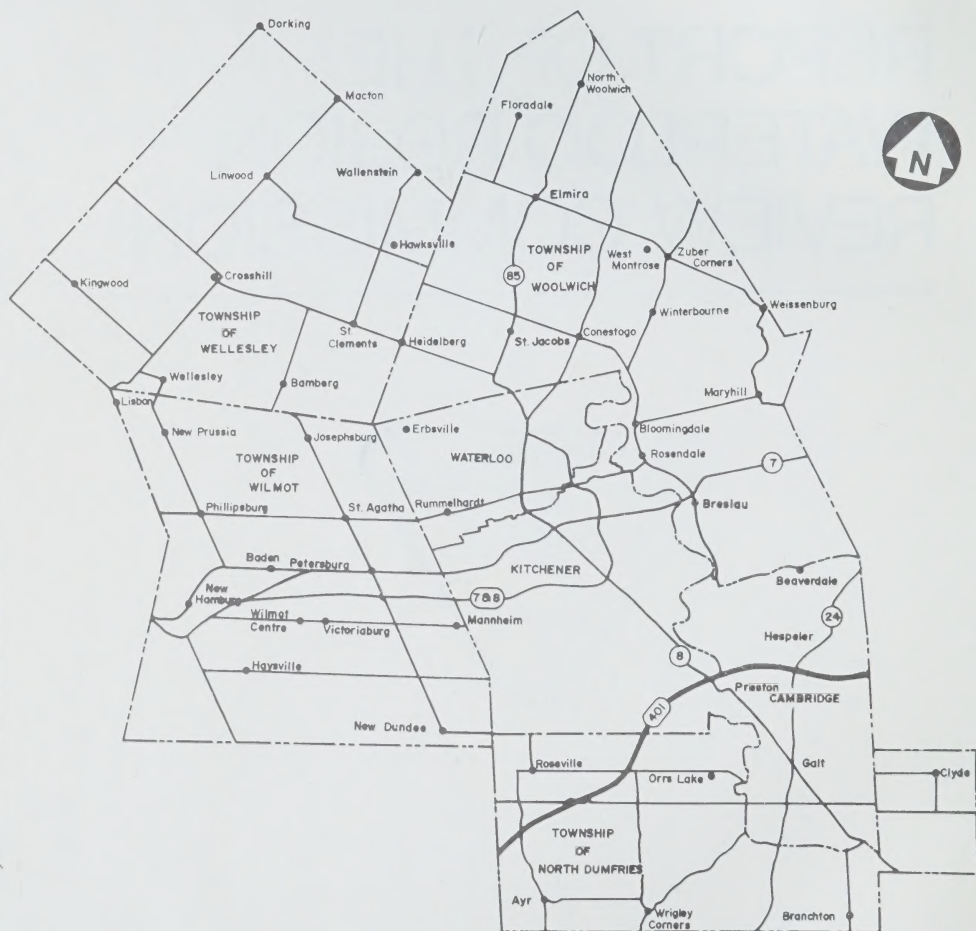


W.H. Palmer, Commissioner

March, 1979

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## REGIONAL MUNICIPALITY OF WATERLOO

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## WATERLOO REGION REVIEW COMMISSION

J.G. CHURCH  
EXECUTIVE SECRETARY  
  
W.E. WINEGARD  
DIRECTOR OF RESEARCH

W.H. PALMER  
COMMISSIONER

( 519 ) 884-0650  
( 519 ) 622-1082

### LETTER OF TRANSMITTAL

March 1979

The Honourable Thomas Wells  
Minister of Intergovernmental Affairs  
Queen's Park  
Toronto, Ontario

Dear Sir,

Under the authority of Order in Council 2577/77 I have completed a review of local government in Waterloo Region and submit my report herewith.

Copies of the report are being sent to the Steering Committee composed of the Regional Chairman and the Mayors of the seven constituent municipalities for consideration and action.

I wish to thank you, your predecessor, the former Minister Darcy McKeough, your Parliamentary Assistant, George Ashe, and several members of the staff of your Ministry for assistance and support throughout the review process.

Respectfully submitted,

W. H. Palmer  
Commissioner

WHP/mf



## WATERLOO REGION REVIEW COMMISSION

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### LETTER OF TRANSMITTAL

March 1979

TO: Review Steering Committee of Regional Council. Members:  
James Gray (chairman), Marjorie Carroll, Franklin Lisso,  
Claudette Millar, Morley Rosenberg, Conrad Rupnow,  
Kenneth Seiling, Ralph Shantz

Dear Members,

It is with pleasure that I submit the final report of the Waterloo Region Review Commission. The Steering Committee has been invaluable to me during the study and now assumes the primary responsibility for evaluating the report and arriving at recommendations for action. I wish you every success in that endeavour.

In closing, I wish to acknowledge the assistance and effort of four former members of the Steering Committee who provided me with guidance through 1978: Jack Young (former chairman), Charles Blow, Erwin Nelson and Ernst Ritz.

Sincerely,

W. H. Palmer  
Commissioner

WHP/mf

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# Terms of Reference

## Order-in-Council

Copy of an Order-in-Council approved by Her Honour the Lieutenant Governor, dated the 14th day of September, A.D. 1977.

Upon the recommendation of the Honourable the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs, the Committee of Council advise that pursuant to the provisions of The Public Inquiries Act, 1971 a commission be issued appointing William H. Palmer as commissioner, designating him as the Waterloo Region Review Commission empowered and instructed to:

Examine, evaluate and make appropriate recommendations on the structure, organization and operation of local government within the Regional Municipality of Waterloo area including all municipal governments, boards and commissions with specific reference to:

- (a) any duplication of costs within the local government system;
- (b) the division of responsibilities among the Province, the region, the area municipalities and the local boards and commissions, including an examination of shared responsibilities;
- (c) the operation of each local government service with respect to organization, costs and efficiency and benefits received;
- (d) the relationships among the Region, area municipalities and local boards;
- (e) the cost and effectiveness of the systems of administration;
- (f) the level of accountability and responsiveness of local governments to residents of the area including electoral and representational issues;
- (g) any other matter which the commissioner deems relevant.

Certified,  
R.A. Farrell  
Deputy Clerk, Executive Council

## **Detailed Guidelines from the Minister the Honourable W. Darcy McKeough**

Without limiting the generality of the Order-in-Council the following shall serve as a guide to the Commissioner in his conduct of the review. The review should place emphasis on:

1. A review of all local government functions as assigned by the Regional Municipality of Waterloo Act 1972 as amended and other Provincial legislation and an examination of:
  - (a) whether each specific function is properly assigned in terms of the efficiency of delivery of service, cost and public acceptability, and, in the case of functions shared by the Region and the Area Municipalities, whether the division of responsibility is made at the right point.
  - (b) whether the methods chosen to implement each specific function are appropriate, efficient and acceptable to the public;
  - (c) whether the costs of regional government are justified by the benefits received by the public.
2. A review of the relationships among the Region, the area municipalities and the several local special purpose bodies in the region and an examination of:
  - (a) the level of trust, understanding and co-operation among the municipal councils, staff and general public in relation to local government activities, attitudes and methods.
  - (b) the costs and benefits which have accrued to the rate-payers of each Area Municipality as a result of regional government.
  - (c) the extent to which duplication or over-lapping exists between the services and activities of the Area Municipalities and the Regional Municipality.
  - (d) the degree to which the system of Regional Government enables residents in the Regional Area to influence and control their own future and priorities.
3. A review of the efficiency and cost effectiveness of the operations of local government within the regional area to the extent that the Review Commissioner deems necessary. This would include questions concerning the relationships between the Area Municipalities and the Region and the division of functions between the Region and Area Municipalities.



4. A review of the effect of special purpose bodies on the system of local government with emphasis on accountability, priority setting, costs and the effect of a variety of claims on the property tax.
5. A review of the relationships between the Province and local government within the Region, with emphasis on a clear and efficient division of functions and authority.
6. A review of matters concerning the electoral and other representation of the public in the development of policies and expenditure of funds by local government within the Region. In addition to such other matters as the Commissioner may deem appropriate, this may include an examination of wards and proportionate representation, methods of election of the head and members of council of both regional and area-municipalities, electoral procedures, and the role of elected representatives and members of the public.
7. Such other matters as the commissioner may deem appropriate.

September 16, 1977

## Preface

I was pleased to have been invited to conduct the review of local government in Waterloo Region. It has been a very interesting undertaking.

It is my hope that the contents of this report will lay to rest some of the misconceptions concerning local government in the Region. In my view the regional system has been functioning fairly well and has not entirely deserved the criticism it has received. However, no system of government is perfect and I have presumed to make some recommendations which I think will improve and strengthen the system in Waterloo Region.

The reader will notice that I have not commented on all aspects of local government but rather I have concentrated on those areas where I perceived problems to exist.

I was very fortunate to have enjoyed complete co-operation from the officials of the municipalities and the concerned ministries of the Provincial Government. My thanks also to the news media in Waterloo Region for bringing my concerns to the attention of the public throughout the review. I am particularly thankful for the many hours of time that the elected representatives granted my staff and me during the course of the review. Their views have been very helpful; however, I know they will understand if not all their suggestions have been adopted.

During the course of the review nineteen research papers were published covering a wide range of functions. I am happy to say that the research was conducted "in house" by staff researchers who are scholars in their particular field of study and to them I owe my heartfelt thanks.

The degree of success of this publication will of course be measured by the extent to which various levels of government implement the recommendations in the foreseeable and distant future. In any event, whatever degree of success it attains is attributable to the fine organization I had to assist me.

I am indebted to Gardner Church, Executive Secretary, Bill Winegard, Research Director and Diane Bryce, Office Manager. Not only did they combine enthusiasm and dedication with their exceptional ability but they exhibited tact and tolerance throughout. Without their contributions there could not have been a report.

My thanks also to the support staff who toiled so diligently throughout the course of the review: John Allen, Susan Evans, Bill Green and Muriel Faulkner.

Finally, I wish to express my appreciation for the assistance and co-operation of Johannis Graphics Ltd., the printers of this publication.

A handwritten signature in dark ink, appearing to read 'W. H. Palmer'. The signature is fluid and cursive, with the first name 'W' and 'H' being more distinct than the last name 'Palmer'.

W. H. Palmer  
Commissioner



# PART ONE

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## Overview

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## CHAPTER ONE

# Introduction

## The Commission

The Waterloo Region Review Commission has been in existence for nearly eighteen months in which time it produced over 3,500 pages of research in twenty-one published documents. Its Commissioner and staff have met repeatedly with well over one hundred elected and appointed municipal officials for extensive, and often exhaustive, discussions and interviews. It has contacted 3,200 members of the public, 400 recent “customers” of municipal development control, 150 leading citizens, 200 correspondents, a host of Provincial civil servants, and employees and board members of local special purpose agencies.

In addition, the Commissioner and his senior staff spoke to several groups over the period of the review and conducted two sets of hearings which entailed seventy-five hours of discussion. By very rough estimate the region's nine newspapers have carried over 1,000 articles about the review. It has been the subject of a television special, a series of cable television broadcasts, several radio shows and a number of letters to the editor. After all that – what could possibly be left to be said?

By comparison, little does remain to be placed in this final report. This book is a statement of our conclusions based upon all the research, discussion, reading, writing and thinking that has been devoted to this study. This report does not and should not stand on its own. It is the product of a review process that involved a tremendous number of people. No effort will be made here to review everything that has been said and done. Yet to appreciate how and why this Commission reached the conclusions it has, an understanding of our beginnings, process and research is important.

Following the incorporation of the Region of Waterloo in January of 1973, the municipalities of this area went through a difficult period of adjustment. Kitchener and Galt had not been part of a municipal federation since 1912, when they seceded from the County of

Waterloo. They and the City of Waterloo (which left the County in 1948) had to adjust once more to sharing municipal authority with an upper-tier federation. Four old and established towns, which had been separately governed for years, joined in municipal units with their neighbours. Elmira and New Hamburg became part of large rural municipalities, while Preston and Hespeler joined with the City of Galt. One township, Waterloo, was divided four ways and ceased to exist, while the Township of North Dumfries gave a large portion of its territory to the new City of Cambridge and received an even larger portion of the Township of Beverly from Wentworth County. The Villages of Ayr, Bridgeport, and Wellesley joined with their respective neighbours into single municipal units. In short, no municipality in the newly formed Region of Waterloo had the same boundaries on January 1, 1973 that it had had on December 31, 1972.

Of all the adjustments, none was as great as that required in the new City of Cambridge. Virtually everything had changed. Where before there were two towns (one small, one middle-sized), a small city and parts of two urbanized townships, there was suddenly one middle-sized city. The loss of historical municipal names such as Hespeler, Preston and Galt has presented a particularly difficult adjustment to many Cambridgians. While most residents seem to accept the wisdom of the amalgamation, on an emotional level, a great many find it painful to accept.

There were to be more difficult adjustments ahead of the municipalities even after the boundary changes were accepted. Many of the amalgamations became necessary because of decades of poor planning and poor municipal services. Some areas faced sudden and substantial tax increases to begin to pay for rectifying these problems. Others faced massive inequities in levels of assessment and suffered unfair tax burdens as a result. Others with good services saw few improvements, and perhaps even a modest decline, until the areas with poorer services were brought up to their standards.

It is not surprising, therefore, that there should be discontent, nor that such discontent should lead to a review of the structure of the Region, nor that the review's primary sponsor should be Cambridge where virtually all of the above adjustments were required.

This was the climate when in early 1977 the council of the Region of Waterloo resolved to undertake an examination of the



operation of the Region. After the council selected the Commissioner, a terms of reference committee met on several occasions and developed terms of reference and an approximate budget. As the size and scale of the review became more clearly understood, the Region asked the Province to absorb the cost of the study. The Province agreed to pay for the study on condition that the terms of reference be broadened to allow the Commissioner to examine all aspects of the local government system.

On September 14, 1977, Order in Council 2577/77 was passed, formally establishing the Waterloo Region Review Commission.

From the beginning the Commission undertook a participatory study. It was decided that the research should be published and made available to interested parties. There were three purposes behind this fundamental and expensive decision.

- It was hoped that any errors or omissions would be pointed out before the production of the final report.
- The Commission believed (and quickly confirmed) that very few people knew much about the local government system, and hoped to assist in developing a higher level of knowledge.
- The Commission wanted to be part of an active debate about the direction it was taking and the conclusions it was drawing, in order both to persuade people and to be persuaded.

The first seven months of the review were devoted almost exclusively to two activities – talking to people and gathering financial data. In May of 1978 the Review published its first research publication – the *Financial Data Base*. It is the foundation upon which all cost comparisons were made in the other research documents and in this report. There are several unique features of the data base which proved highly useful.

- Cost comparisons were made on the basis of spending per household, thus isolating the effects of both inflation and growth.
- Inflation indices for every service were produced for both urban and rural municipalities based on actual experience and not on a hypothetical basket of goods.
- The revenues and expenditures of all municipalities, boards and commissions were analysed.
- Indices for the rate of growth in property tax, income tax, net income and disposable income were developed.
- Several external municipalities were compared with each municipality in the Region of Waterloo.

During this period the Commission also conducted extensive interviews with all seventy-three municipal councillors, met separately with all seven councils, and interviewed one hundred and fifty residents. This process provided a much clearer idea of the issues which concerned the residents and municipal representatives in Waterloo and led to the second phase of the review – the in-depth research program.

Throughout this report allusions and references are made to various research monographs. A complete list of these can be found in Appendix D. Although most are now out of print, municipal councillors, municipal offices, local university and public libraries, and some provincial government libraries have copies.

There were four aspects of the Commission's approach which, with hindsight, proved to have been of considerable importance. The interviews with every municipal councillor in 1977 were very useful in helping to chart the issues to be examined and the problems to be overcome. These interviews also provided the councillors with early involvement in the study and were largely responsible for the excellent communication which the Commission enjoyed with the councillors.

The *Public Attitude Survey* conducted by Professors McMenemy and Brown for the Commission was a second vital resource for the study. It informed us of the high levels of public satisfaction with many services, the depressingly low understanding of how the local governments are organized, and the relative degrees of trust and appreciation of area, regional and provincial governments.

Third, the *Financial Data Base* discussed earlier was critical to all subsequent research and discussions with municipal officials. Although the occasional error was unearthed in the data base, its ability to provide an answer to almost any relevant question about spending and revenue has served the Commission well. Its greatest contribution may have been to inhibit people from haphazard use of statistics. Indeed, the *Financial Data Base* itself laid to rest quite a number of widely held myths about the cost of regional government and can serve for years as a kind of bulwark against misrepresentation.

Finally, the seemingly endless stream of research publications turned out by the Commission has served a useful purpose. The down-to-earth administrative studies on computers, salaries, purchasing and accommodation pointed the way to substantial

savings. It is particularly gratifying to note that action on at least one of these studies is already underway. We commend the purchasing officers behind the recent effort to establish a purchasing co-operative.

The functional studies of roads and transportation, social services, planning, water management, environmental services and police have led to an active and at times very illuminating debate. Some of these research reports will have continuing value on their own merit.

The more general studies on municipal services, financial issues, representation and decision making have added considerably to the debate over some already thoroughly investigated subjects. The *Operational Summary* similarly provided a focus for a debate waged too long with too little information.

These are the aspects of the Commission's work which have had the most salutary effect and which provided the Commission with whatever insight it has had into the system of local government in Waterloo.

## The Real Problems

Despite all the substantive research and the in-depth study which the Commission has undertaken, many of the system's most severe problems remain those which were obvious before any research was done. This section discusses what the Commission has come to believe are the real issues facing local government:

- lack of public understanding;
- lack of clarity in the system because of (a) shared powers; (b) grant structure; (c) special purpose bodies; (d) provincial controls.

It avoids issues specific to this region such as one tier versus two, Cambridge secession, changes in planning responsibilities; it leaves these for the rest of the report. They are important issues which require careful and serious consideration, but they are not as central to the welfare of the community as are the issues discussed in this section.

The Commission believes strongly that local government has a vital role in our society: a role which is not sufficiently appreciated. It is not just a provider of services (although that is its central purpose).

It serves to fulfill several other functions as well.

- It provides for the spreading of the power of central governments. In this age of government involvement in every aspect of life, the danger of all-powerful, central governments is real. Local government can be a defence against the development of an Orwellian 1984 society.
- It allows a local community to decide what it wants in the way of local amenities, what mix of services it wants and the price it is willing to pay for its amenities.
- It can serve as a more politically sensitive administration than the Province to deliver some services for which the Province is responsible.
- It is a fundamentally important democratic forum. Perhaps no other level of government testifies as clearly to the strengths of a democratic system. Unfortunately, it is also vulnerable to all of democracy's weaknesses.

The key to local government filling all these functions is its democratic nature. If it were but the local incarnation of Queen's Park, it would serve none of these vital purposes except to provide services. If all we wanted of our local government was a given mix of services, then by far the best way to organize it would be under an autocratic administrator responsible to the Province. Virtually no resident in the Region of Waterloo would accept this expedient because there is a real desire for **local control**.

It would not be sufficient for the Province to appoint a native of the region as its autocratic and absolute local government. The essence of local control is that the residents here can decide which services they want and at what cost.

Recently 36.4% of eligible voters in Cambridge demanded local control vis-à-vis the region, let alone the Province. There is no doubt that local **democratic** government is valued highly, and only through a democratic system can the real and varied importance of local government be expressed.

Yet democracy in local politics is imperilled, not by regional government, not by Cambridge or Kitchener, not by the Province, but by the very people it is designed to serve – the people of this region.

In June 1978 this Commission published a *Public Attitude Survey* that should have been cause for a bright collective blush from the region's residents. The redeeming factor is that the results from



this survey would doubtlessly have been as bad elsewhere. Only two adult residents of Waterloo Region in seven know that the Board of Education and/or the Separate School Board are responsible for running the schools and setting education tax rates. Two in five know the Grand River Conservation Authority is responsible for flood control. About two in six know the local council provides fire protection, and only two people in every fifty – 4% – know that the Police Commission is responsible for police protection. In total only one person in seventy-five could tell us who was responsible for all four of these services. Yet these represent the two most expensive local services and the three major emergency services. They are the high profile services about which it is reasonable to expect people to be most knowledgeable and concerned.

What kind of democracy do we have when only one elector in every seventy-five has any idea about which body does what on his behalf? The **majority** of the thousands of votes cast in the last municipal election were really just “shots in the dark” – a vague endorsement of candidates serving in a system which was murky and indistinct.

If local democracy is ever going to mean something more than this, residents of Waterloo Region will have to rediscover their local government. It has become passé to talk in terms of “civic duty”. However, in these times of economic restraint, some very difficult decisions on service cutbacks are going to be made, and there is no better way to make those decisions than through the expression of an informed community.

The local resident can be forgiven his confusion to some degree. The design of the system itself is highly complex.

The sharing of government functions among two, three and even four levels makes the identification of responsibility for decisions on social, environmental, health, road, and planning issues very difficult. Throughout this report we have urged that where possible the focus for service responsibility be made as clear as possible.

A second institutional factor which confuses the system of local government is the Province’s pervasive practice of influencing local government decisions through conditional grants. Much of each municipality’s revenue is provided by the Province, but only on condition that certain services the municipality might otherwise not provide, are provided. This means that not only is the public confused about which level is responsible for what, but that some apparently

local decisions are made **de facto** by the Province through its complex grant structure. This too we believe should be changed.

Third, the proliferation of special purpose bodies so diffuses the focus of local authority that the public can be forgiven an element of bewilderment. Anyone who has tried to get a crossing guard to help school children cross a regional road has experienced an institutional merry-go-round of some proportions involving the Police Commission, at least one school board, the Regional Council and usually the local council.

The final institutional factor which contributes to the public myopia about local government is the Province's welter of controls over it. Municipalities can only do what the Province specifically allows them to do and must do everything the Province insists on. We have reviewed each Act of the Provincial Legislature and have identified numerous cases of anachronistic, inappropriate or redundant strings that have been tied to local government.

There seems to be a belief among a few local politicians and civic servants that the answer to the problems that haunt them lies in changing structures of government. Whether they advocate one tier, secession or annexation, they put forward the argument that some structural expedient is the major step that must be taken.

We agree that structural issues are important and have expended considerable energy on them. However, they are secondary to these more pivotal issues. What the boundaries of a local government are is not nearly as important as what it is that the system can accomplish, how democratically it is constituted and how effectively it can perform. To concentrate on boundary issues to the exclusion of representational, functional, funding and provincial/municipal concerns is short sighted. It is akin to designing an automobile with painstaking attention to its sleek lines but with no concern for its motor or transmission.

The clarification of responsibilities and the reduction of conditional grants, special purpose bodies and provincial controls over local government are the most vital keys to the success of a truly capable local government system – one that can provide services and control taxes. These keys are achievable in the long run; many are within reach now. We believe some changes in the electoral system to make the Region more accountable is the first step. We propose that some of the powers the Region exerts over local councils be removed. Further, we propose that the

responsibilities of such bodies as the Police Commission, Conservation Authority and Children's Aid Society (Family and Children's Services) be placed under the Regional Council, and that other powers of the Conservation Authority as well as the Land Division Committee, Library Boards and Committees of Adjustment become responsibilities of local councils.

Along similar lines we suggest that the division of responsibility between the Province and local government is not sufficiently clear, and that in some fields, the Province should turn powers over to local government. We acknowledge the need for provincial standards but suggest that they can be met without the crutches of conditional grants, special purpose bodies and restrictive regulation.

Even if these institutional factors which undermine the strength of local government have contributed to the lack of public understanding of the system, correcting them will not result in a sudden rekindling of public interest. Several local organizations, in our opinion, are not doing enough to provide public insight into the way local government works and affects our lives.

First among these is our school system. Messrs. Belvedere and Smith presented a brief to this Commission which demonstrated that virtually no elementary or high school student in this region was exposed to more than a smattering of "civics" and that many teachers did not have even a basic knowledge of the system of local government. Yet when we attended one of the very few classes in the region on local government, we were impressed with how much the students had learned in a brief exposure.

The purpose of the schools is to assist our young people to function in our society and there is no more fundamental function than the exercise of the democratic franchise. An increased emphasis in this field would pay high dividends. In fairness, some new course outlines we have seen suggests this may soon be a priority topic.

Our media, particularly the newspapers, also have a responsibility to educate the electorate. We have enjoyed excellent co-operation from the media throughout the region during our activities, yet cannot help but be somewhat critical of the coverage of local government. There is a dearth of investigative, issue-oriented reporting that explores local decision making. In addition only a small degree of consistent editorial vigilance is in evidence in the region.

Finally, we must mention the responsibility of the municipalities

themselves to make the system and the action of councils understandable and understood by their electorate. Most municipalities see this public relations exercise as a somewhat distasteful and wasteful expense. We do not agree. An open, honest and concerted attempt to communicate is essential to the success of democracy in today's complex society. We believe that the low esteem in which government is held today is the result of the system confusing and frustrating many people.

One area where the municipalities could and should seek improvement was raised by the Chambers of Commerce in Cambridge, Kitchener and Waterloo. The *Municipal Act* requires each municipality to publish an annual financial statement to the ratepayers concerning the previous year's activities. Although the Regional Municipality has recently started to experiment somewhat, municipalities have traditionally been content to publish these statements in a form which is dry, obscure and uninformative even to ratepayers with the financial expertise and civic interest of chamber members. Municipalities and other local authorities must conscientiously make the most of every such opportunity to explain and inform.

Although improved communications will not undo blunders and errors, a great deal of the frustration that has been expressed to us has grown out of misinformation. The municipalities should all take to heart the findings of a recent study by some political science students at the University of Waterloo – the more someone knows about local government, the more he approves of its actions.



## CHAPTER TWO

# How Well Is Regional Government in Waterloo Working?

## Introduction

The Commission research publication *Operational Summary* tried to answer this question in 125 pages. It was summarizing a few thousand pages published as research monographs for this Commission, as well as the Fyfe Commission Report. In this report we will attempt to answer it in a few pages. The reader wishing a more detailed analysis would be well advised to read the *Operational Summary*, and in the event that still more detail is desired on a particular subject, to read the appropriate research monograph.

There are a number of ways to approach the question of the effectiveness of the new system of local government. One could contemplate the system for a period and make a strictly subjective judgment. Although this is the only method of evaluation available to most people, it suffers on many counts. Most seriously, this kind of observation provides no standard of comparison: relative to the post office, regional government is working brilliantly; relative to a Swiss watch, it is a disaster. There must be some reasonable benchmark against which to judge a system or the judgment is of very limited value.

Perhaps the best way to evaluate regional government is to compare it to the system it replaced. Is the present system working better than the old? In this chapter we have submitted the two systems to three tests: costs, benefits and quality of government. Each of these tests constitutes a section of this chapter.

## Cost Comparison: The Present Versus the Former System

Using the inflation indices developed in our *Financial Data Base*, it is

relatively easy to compare municipal spending between any two years. We used the years 1969 and 1976 for comparison. Nineteen sixty-nine was selected as a base year because it appears to have been a typical pre-Region year, far enough removed from the introduction of the Region that no spending was being postponed in anticipation of reorganization. The other comparison year, 1976, was used because it was the last year for which complete information was available when the data was compiled. We used gross expenditure figures for all our comparisons so that regardless of how revenue for the various programs was generated, the figures used would reflect full cost. A separate revenue section was provided to allow for net comparisons.

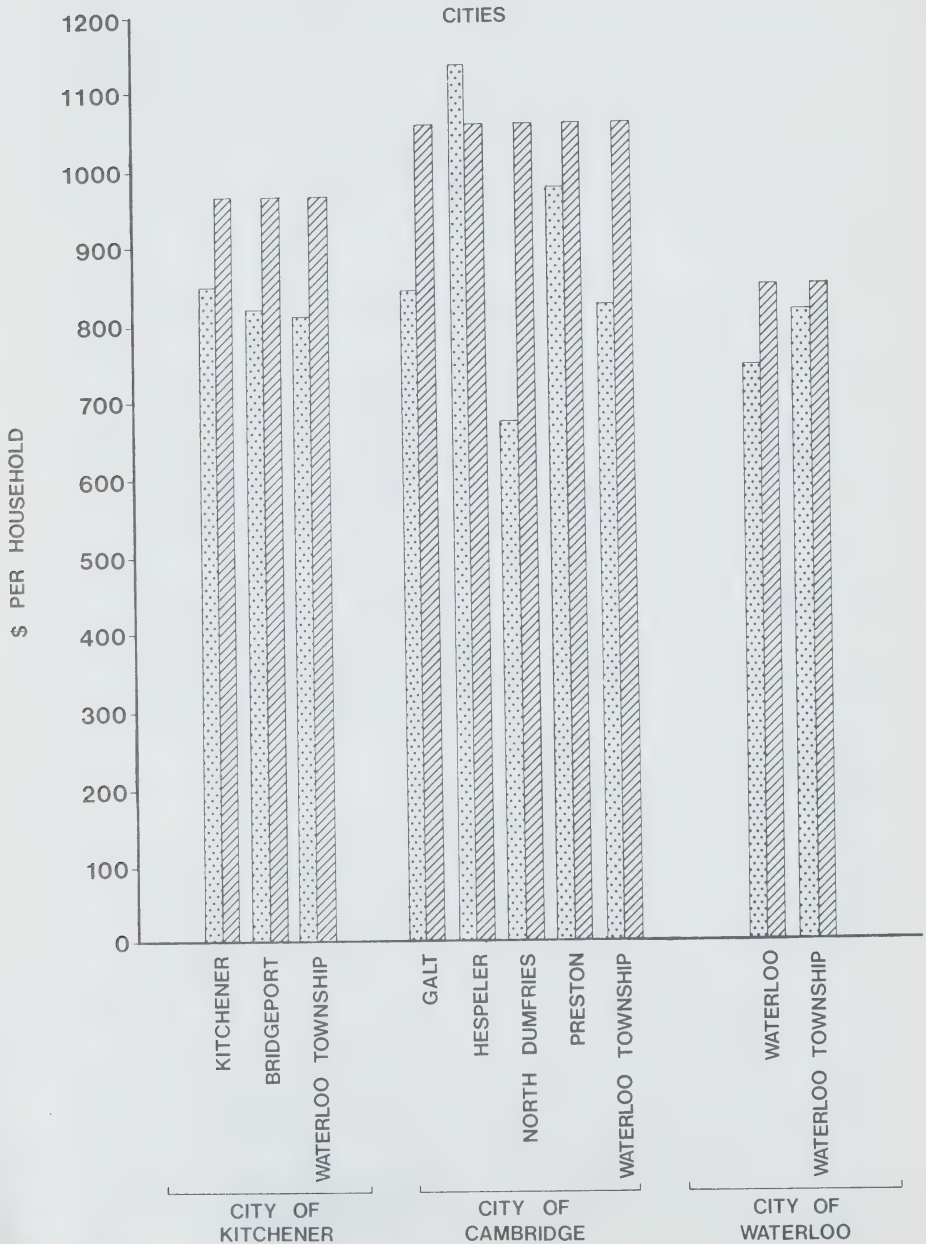
Using the process described in the *Financial Data Base*, 1969-1976 figures were made comparable. Next an inflation index was calculated for each service and the 1969 figure was multiplied by this factor. Finally, all of this had made the 1969 figures equivalent to the 1976 figures. The inflation indices were calculated from actual ledger entries in the City of Waterloo (for the inflation factor for each service in the three cities) and the Townships of Waterloo and Wilmot (for the rural inflation factors). Pages 129-136 of the *Financial Data Base* contain a detailed description of how the factors were calculated and why the Commission believes them to be more valid than other approximations of inflation.

Table 2.1 gives an example of the process of developing comparable "after inflation" figures.

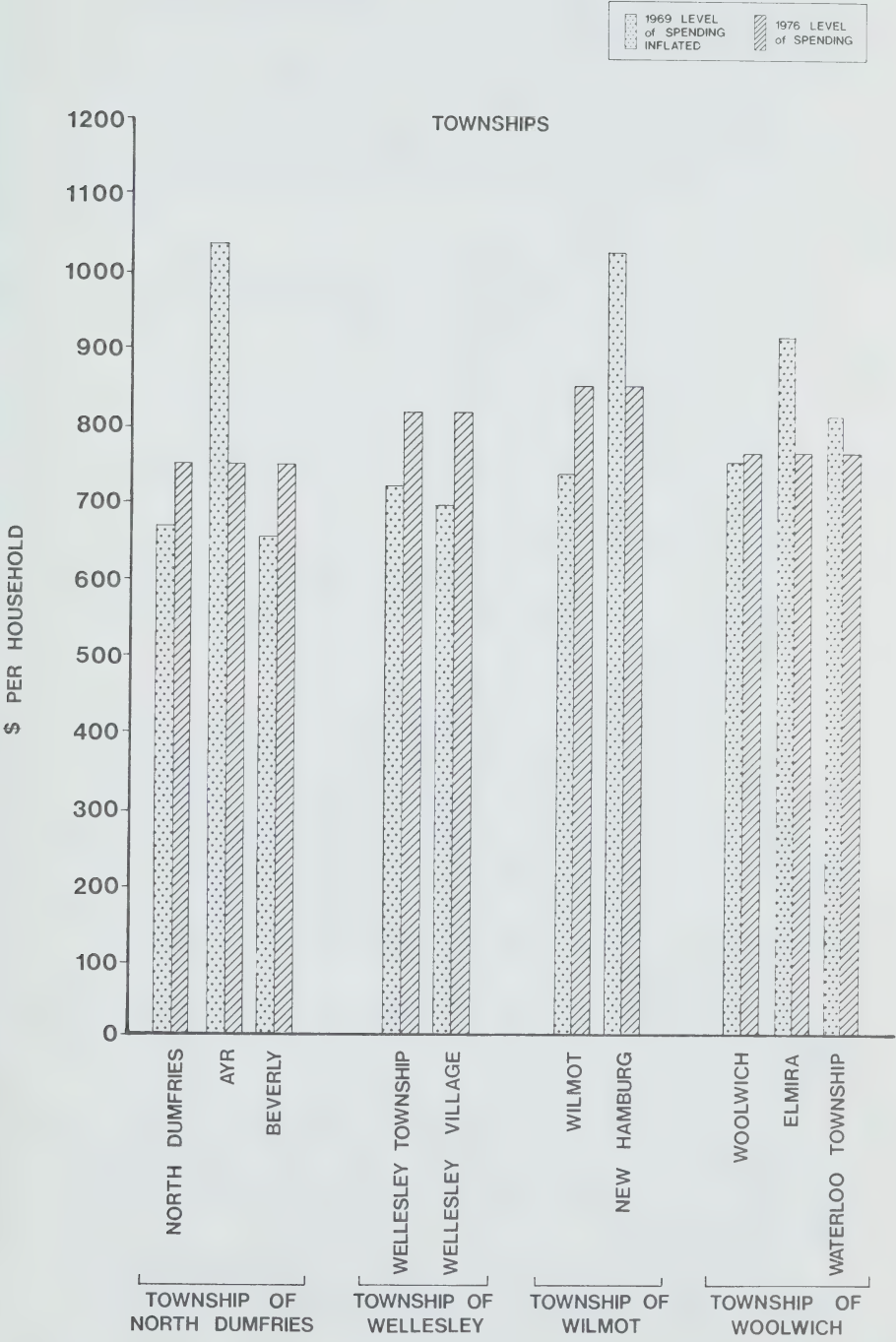
**Table 2.1 1969-1976 Spending Comparison: Example****Comparison of Road Spending for Hespeler 1969 and 1976**

- 1) 1969 reported road spending by Hespeler was **\$157,636**  
     1969 reported road spending by Waterloo County was **\$1,259,606**
- 2) Next, in order to make these figures useful they were divided by a known constant – the number of households. This allows the total Hespeler road spending to be calculated. The Commission used spending per household (\$/HH) because the number of households closely parallels the proportion of assessment each municipality has.
- 3) Therefore, in 1969, Hespeler's road spending was \$90.70/household; and in 1969, Waterloo County's road spending was \$71.50/household.
- 4) To bring that 1969 spending per household to the level it would have been in 1976 due to inflation, each of those figures is multiplied by the "rural" road inflation factor of 1.6215. Only the three cities were considered "urban" for these purposes.  
     1969 road spending in 1976 values on behalf of Hespeler residents thus becomes:  
     Hespeler  $\$90.70 \times 1.6215 = \$147.07$  per household  
     County    $\$71.50 \times 1.6215 = \$115.93$  per household  
             Total   = \$263.00 per household
- 5) Actual 1976 spending per Hespeler household in the new system was:  
     Cambridge \$128.26 per household  
     Region     57.18 per household  
     Total       \$185.44 per household
- 6) Therefore, after accounting for inflation, the expenditure on roads per household in Hespeler was \$77.56 lower under the new system than it would have been under the old system had it increased its spending only at the rate of inflation. Using this methodology we developed tables for each merged area (former municipality or part of a former municipality) showing what was spent per household on each service in 1976 compared to what the previous system spent in 1969 inflated to 1976 levels. These were published in the *Operational Summary* (pages 63-72). The following graph summarizes those tables and shows the real local government spending increases and decreases between 1969 and 1976.

**Figure 2.2 Total Local Government Spending per Household in 1976 Compared to 1969 Level of Spending Inflated**







The cost experiences of the various types of municipalities can be placed in five categories

- The former cities (Kitchener, Waterloo, Galt)  
Average **Increase** 17.65%  
Galt 25.0%, Waterloo 14.35%, Kitchener 13.61%
- Towns and villages which amalgamated with cities (Preston, Hespeler, Bridgeport)  
Average **Increase** 11.18%  
Preston 7.87%, Hespeler 6.65%, Bridgeport 19.01%
- Towns and villages amalgamating with rural areas (Elmira, New Hamburg, Ayr, Wellesley)  
Average **Decrease** 11.31%  
Elmira (16.94%), New Hamburg (17.5%), Ayr (27.35%), Wellesley 16.54%
- Rural areas entering cities (parts of Waterloo and North Dumfries townships)  
Average **Increase** 27.55%  
Waterloo Township in (a) Kitchener 19.63%, (b) Waterloo 3.95%, (c) Cambridge 29.51%; North Dumfries Township in Cambridge 57.12%
- Rural areas which remained as townships  
Average **Increase** 7.01%  
North Dumfries 12.23%, Wilmot 14.68%, Wellesley 14.00%, Woolwich 0.81%, Waterloo Township in Woolwich (6.69%)

Thus, only rural areas entering Cambridge suffered a substantial increase, with cities and other rural areas entering cities experiencing somewhat lower increases. The towns and villages which entered cities saw moderate increases, rural areas which stayed in townships saw small increases and towns and villages now in townships saw moderate decreases.

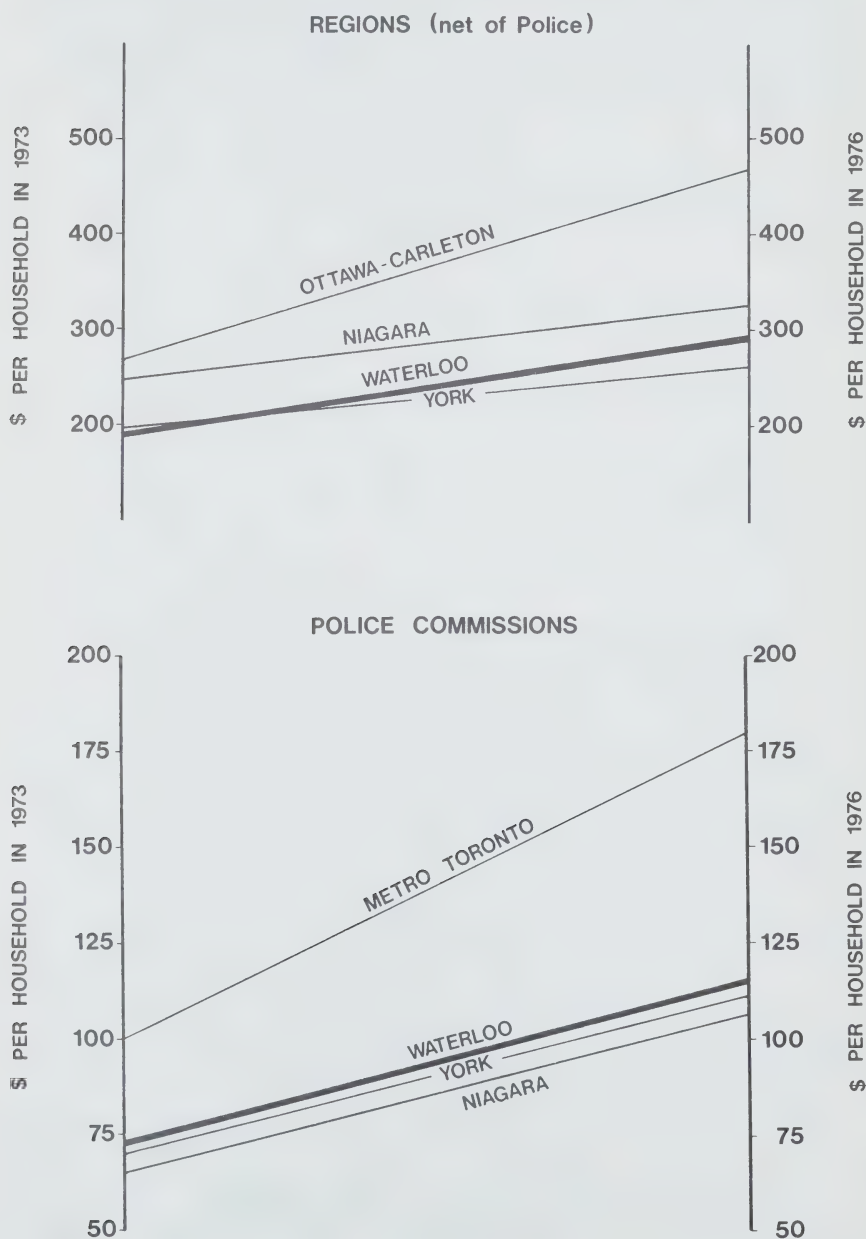
The spending increases in the urban areas have taken place largely as the result of service increases in police, recreation, general government and social services.

It is reasonable that decreases have occurred in towns and villages which joined with rural areas. Under the old system the costs of many services (recreation, libraries, police, fire) provided by town residents benefited urban and rural residents alike. Now rural areas share in those costs.

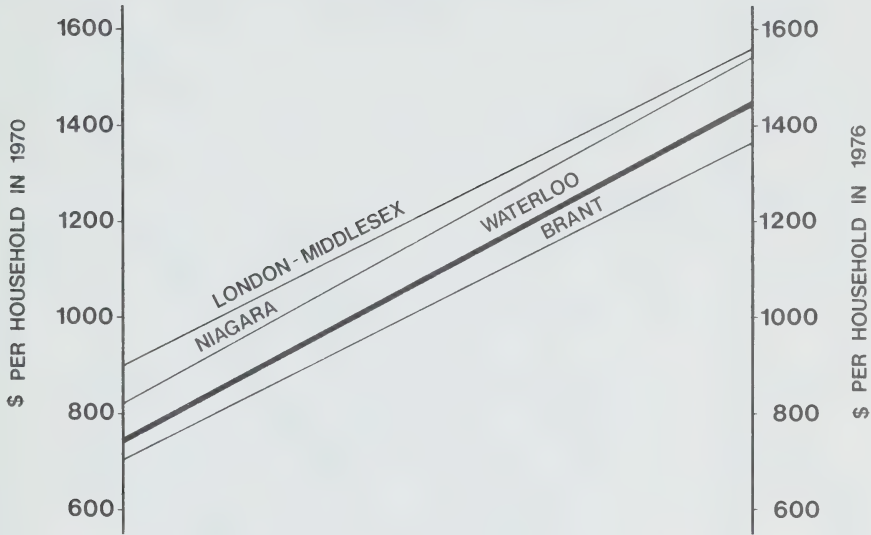
There are two other measurements of costs which should be examined before leaving this part of the analysis. As Figure 2.2

demonstrated, except for one or two areas, there were few significant increases in local government spending from 1969 to 1976 after accounting for inflation. To check this finding we compared spending increases per household between each local government in this Region and similar bodies outside the Region. Figures 2.3, 2.4 and 2.5 which are based on the data on pages 86-88 of the *Operational Summary* show these relationships clearly.

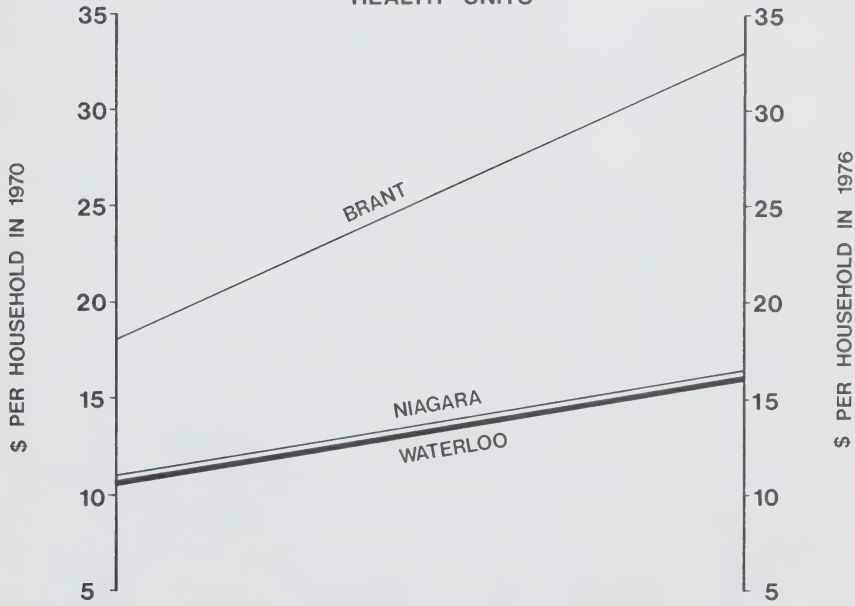
**Figure 2.3 Comparative Spending Increases by Various Local Government Agencies**



EDUCATION AUTHORITIES

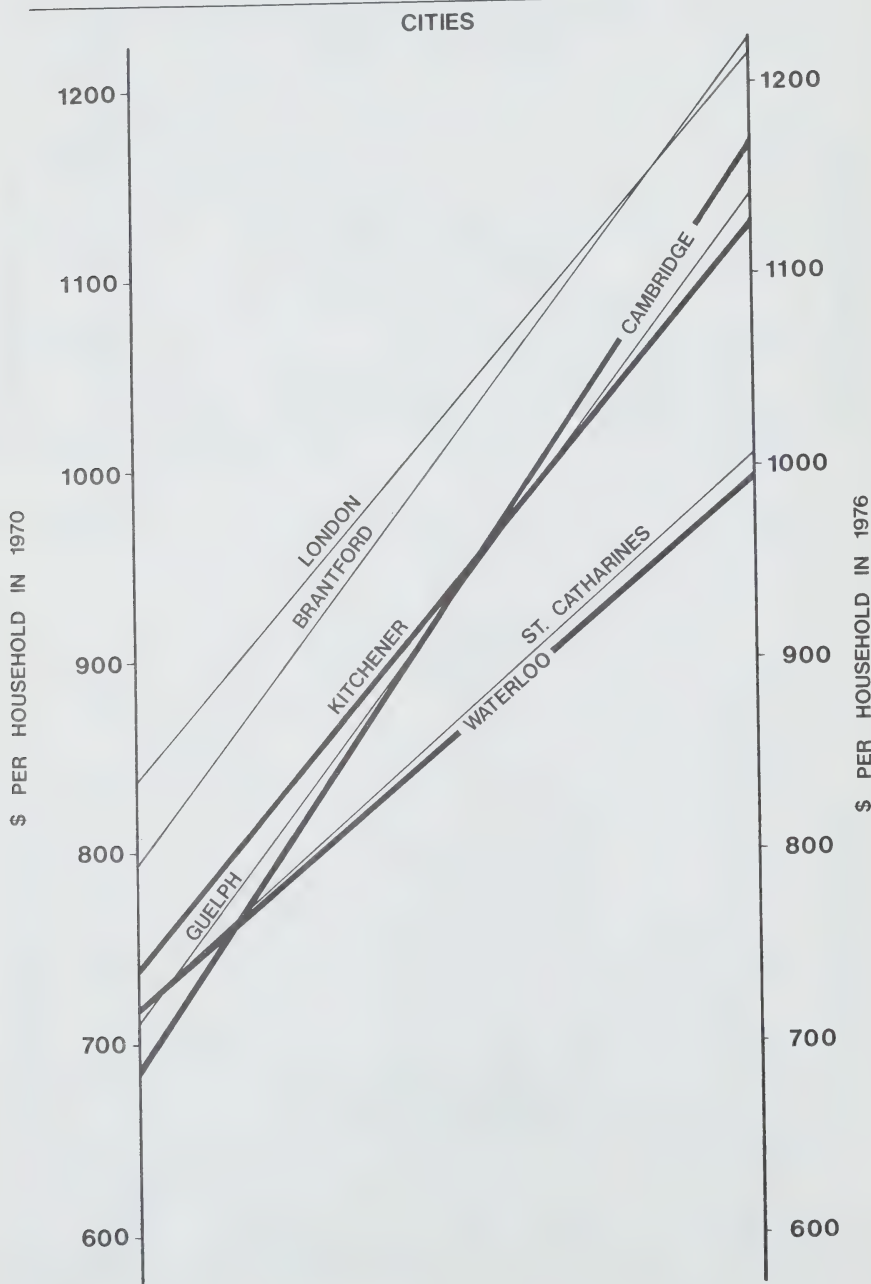


HEALTH UNITS





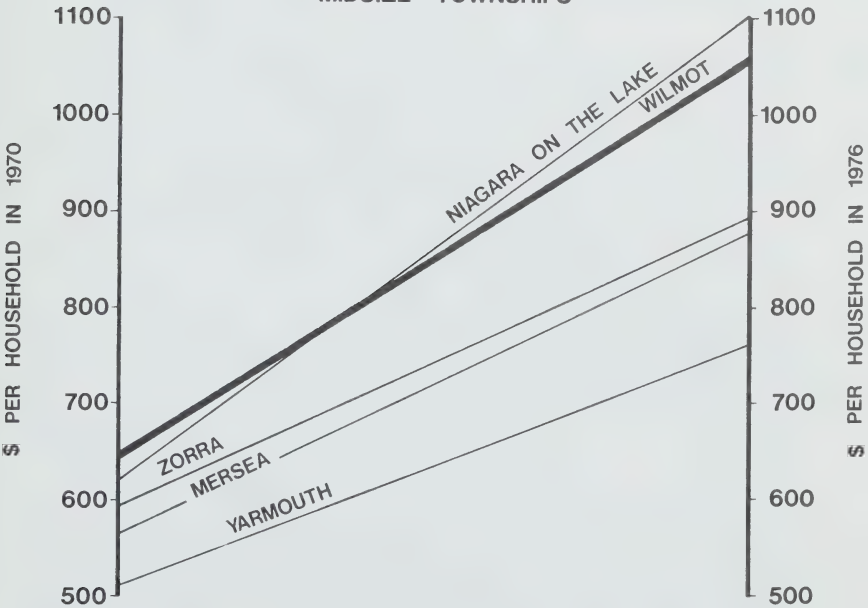
**Figure 2.4 Comparative Spending Increases by Local Municipalities 1970-1976**



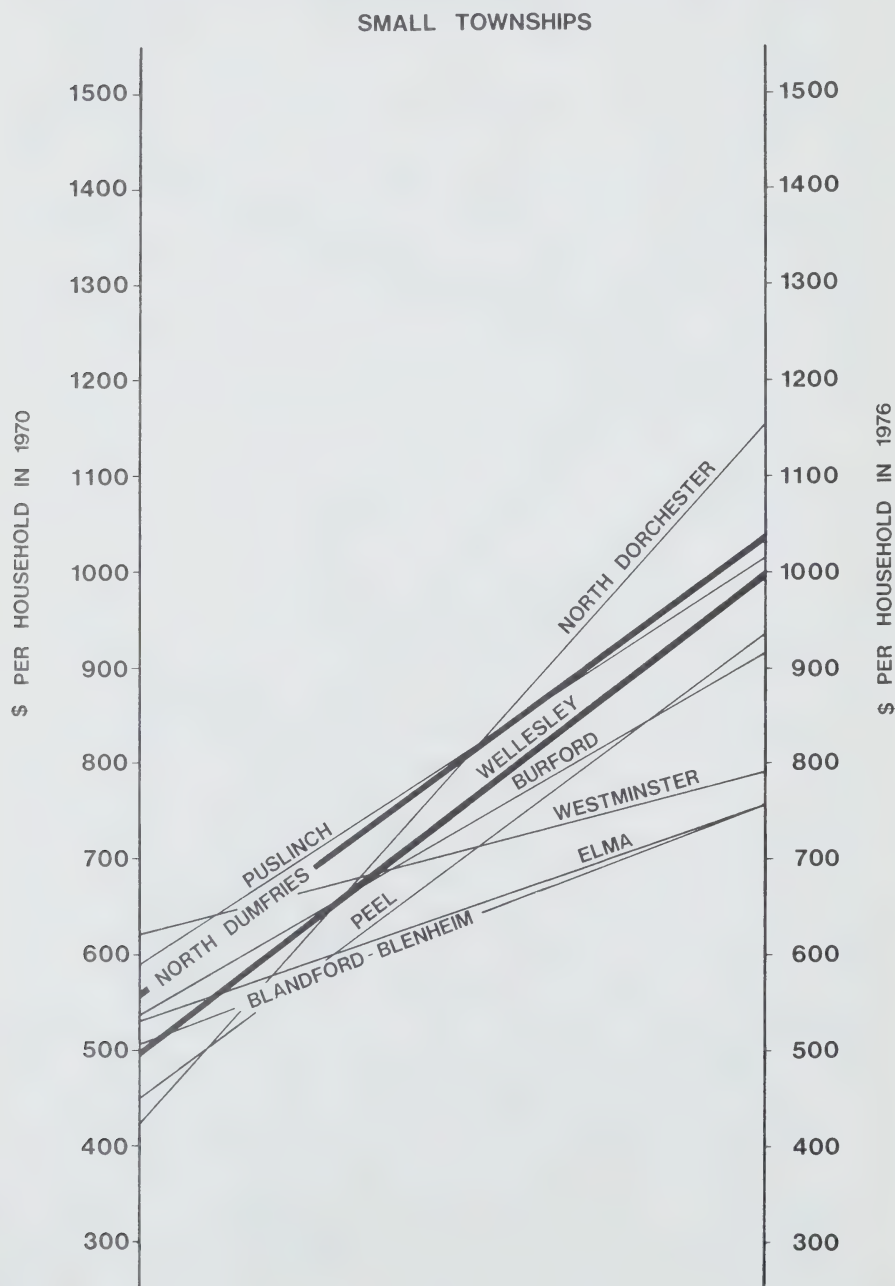
LARGE TOWNSHIPS



MIDSIZE TOWNSHIPS



**Figure 2.5 Comparative Spending Increases by Local Municipalities 1970-1976**



We see from these graphs that of all local government authorities in the Region only Cambridge and Wellesley have increased their spending much faster than comparison areas. In fact when we subtract the police costs now being borne by rural residents of this Region but not by most of the rural comparison areas, all the rural municipalities in the Region of Waterloo appear to have had average increases or less (Woolwich is well below average).

Wellesley's moderately higher rate of spending increase is largely because of large capital expenditures on recreation facilities which, though they were reported as municipal spending, included large amounts donated by private residents. Thus, Wellesley's higher rate is somewhat artificial.

Cambridge's higher expenditure increase levels resulted from several factors.

- The urban areas that now make up Cambridge were collectively spending less in 1969 than the average for neighbouring urban areas (\$687.57/household compared to an average of \$754.49/household).<sup>1</sup> By 1976 Cambridge spent almost exactly the average amount per household.
- Many services in Preston, Hespeler and Galt were at very different and often quite low standards. After amalgamation, catch up spending on services like fire, roads and recreation took place.
- The political imperatives of bringing together into one community three formerly independent municipalities cost something in terms of staff, facilities and standardization.
- Some services such as protective inspections which were not done extensively are now provided to a high standard.
- The physical configuration of Cambridge makes it an expensive city to service. With three downtown cores some distance apart, some costs are bound to be higher.

Of the other two cities, Kitchener experienced an average increase in spending. Waterloo was 25% below the average of other cities over the eight year period, a remarkable accomplishment given the rapid growth that city experienced.

We now have two sides to the cost picture.

- *Inflation was responsible for the major portion of spending increases between 1969 and 1976.*
- *With very few exceptions, Waterloo Region's municipalities, boards and commissions compare favourably with other*

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<sup>1</sup>See *Operational Summary*, p. 88

*similar areas both inside and outside regional governments in terms of spending increases.*

To this point our analysis has been in terms of gross expenditures and not related to property taxes. There has been a great deal of complaint about property taxes increasing by leaps and bounds in Waterloo Region as elsewhere. The following table from the *Financial Data Base* puts these complaints into perspective.



**Table 2.6 Comparison of Growth Indices of Personal Income and Taxation**

	1969	1970	1971	1972	1973	1974	1975	1976
Growth Index of Personal Income (of all income earners)	1,000	1,046	1,122	1,188	1,272	1,458	1,636	1,767 (est)
Growth Index of Average per HH Residential & Farm Property Taxation:								
Kitchener:								
Kitchener merged area	1,000	0,991	1,004	0,974	0,967	1,006	1,148	1,229
Bridgport	1,000	0,962	0,984	0,997	1,032	1,032	1,436	1,562
Wat. Twp.	1,000	0,975	0,969	0,959	0,984	1,155	1,410	1,575
Cambridge:								
Galt	1,000	1,012	1,012	0,986	1,002	1,066	1,245	1,352
Hespeler	1,000	1,101	1,101	0,945	1,101	1,121	1,316	1,394
Preston	1,000	1,184	1,189	1,189	1,283	1,337	1,558	1,666
N. Dumfries Twp.	1,000	1,075	1,369	1,138	1,394	1,582	2,121	2,442
Wat. Twp.	1,000	0,975	0,969	0,959	1,041	1,314	1,562	2,113
Waterloo:								
City of Wat.	1,000	0,939	0,968	0,874	0,912	0,911	1,064	1,159
Wat. Twp.	1,000	0,975	0,969	0,959	0,892	1,042	1,286	1,429
Woolwich:								
Elmira	1,000	1,113	1,094	1,125	0,991	1,198	1,266	1,399
Woolwich Twp.	1,000	0,973	1,206	0,995	1,029	1,117	1,404	1,702
Wat. Twp.	1,000	0,975	0,969	0,959	1,019	1,069	1,191	1,402
Wilmot:								
New Hamburg	1,000	1,236	1,251	1,251	1,196	1,175	1,350	1,488
Wilmot Twp.	1,000	1,116	1,219	1,123	1,292	1,325	1,611	1,904
Wellesley:								
Wellesley Vg.	1,000	1,323	1,382	1,454	1,411	1,587	1,809	1,987
Wellesley Twp.	1,000	1,103	1,297	1,224	1,261	1,25	1,762	1,915
North								
Dumfries	1,000	1,075	1,369	1,138	1,343	1,404	1,701	1,94
Ayr	1,000	1,123	1,215	1,121	1,315	1,277	1,403	1,56
Beverly Twp.	1,000	0,935	0,85	0,895	0,899	1,001	1,19	1,274
Regional Average:	—	—	—	—	—	—	—	1,354
Growth Index of Federal Personal Income Taxation	1,000	1,109	1,339	1,843	1,952	2,141	2,599	2,807 (est)
Growth Index of Provincial Personal Income Taxation	1,000	1,105	1,320	1,450	1,677	1,881	2,341	2,528 (est)
Growth Index of Personal Income of Those Who Pay Income Taxes	1,000	1,050	1,190	1,278	1,400	1,583	1,936	2,091 (est)

(est) = estimate

Property taxes in the region increased less quickly between 1969 and 1976 than any other economic or taxation indicator. Average property taxes over that eight year period increased by 34.5% in the Region<sup>2</sup> (or about 4.3% a year). By way of contrast, personal income in that same period grew by 76.7% on average. Federal income tax increased 180.7%, provincial income tax was up by 152.8% and the personal income of those who paid taxes increased 109.1%. The Consumer Price Index during that same period grew 52%.

No matter which index you wish to use, the average resident was paying relatively less property tax in 1976 after four years of regional government than he or she was paying in 1969. There were, of course, some people paying vastly more property tax in 1976 than in 1969. In many cases this was a result of a grossly inequitable assessment system which we have recommended be changed (see page 140).

## Conclusion

*Contrary to the opinions held by many residents of the Region of Waterloo, the cost of local government has not increased substantially faster than it would have under the former system. Secondly, it is no more expensive in comparison with similar areas inside or outside regional governments. Third, after four years of regional government, the average per household property tax was lower in real dollars than it was four years prior to regional government.*

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<sup>2</sup>Average was calculated by multiplying each merged area's property tax growth index by its number of households, adding the resultant products and dividing the total by the number of households in the Region.

## Benefits Comparison: The Present Versus the Former System

We have determined that the cost of the regional government system is only marginally higher (if at all), and taxes in fact are lower than would have been the case in the previous system had it continued as it was. It remains to be determined whether the present system is functioning as well or better – that is, does the present system offer more benefits than drawbacks compared to the previous system?

A great deal of the Commission's research time went into attempting to measure benefits or performance of the new system. Anyone who has ever tried to measure something that defies measurement will appreciate the difficulties we encountered. However, we did find some useful approaches to this problem and published them in *Municipal Services in Cambridge and Woolwich 1969-1976*.

For the purposes of this report a more general approach has been followed. One way to judge the relative merits of the two systems is to investigate the problems present in the previous system and determine if the problem is more or less severe in the present system. We chronicled the problems raised to or by Dr. Stewart Fyfe in his study of the previous system in 1970, *Report of the Waterloo Area Local Government Review*. Then, on the basis of our research and investigations, we determined the present status of the problem. By this process we hoped to show the relative benefits of the new system.

In such an overview of problems, it is necessary to have some measure of comparison. In this case we developed a rough scale of the severity of each problem. Opposite each problem cited, we placed a word denoting how severe the problem was in the former system, and is in the present one. It must be kept in mind that these ratings are only guides and represent our evaluation of the situation past and present. We used a scale of six words:

- |          |  |
|----------|--|
| none     | — no perceived problem                       |
| minor    | — a problem of little consequence            |
| moderate | — a somewhat more severe problem             |
| major    | — a substantial problem                      |
| severe   | — a problem of great concern on our part     |
| extreme  | — for situations at or near the crisis point |

Problem		Severity of Problem	
		Formerly	At Present
<b>General Government:</b>	Perceived inability of the many small administrations to cope with the avalanche of problems growth was producing. There were at least twelve such administrations in the former system. Two or three might be in that position now.	Extreme	Moderate
	Dependence on consultants for policy advice was a matter of some concern since it was felt a consistent legal, planning and engineering program was required.	Major	Minor
	Annexations were rife in the former systems, taking place at the rate of two a year. Seen as a massive problem, there have not been any under the new system.	Extreme	Minor
<b>Representation:</b>	The one year term did not allow councillors time to become familiar with issues. The present two year term is seen to be better, but in some eyes is still too short.	Major	Minor
	Demands on elected people were growing, making it difficult to serve on less than a full-time basis.	Moderate	Severe
	Under the previous system the cities were seriously underrepresented on county-wide bodies such as the County Area Planning Board, Health Unit, and Suburban Roads Commissions. They still are under-represented but not nearly so seriously.	Major	Moderate
<b>Services: Police</b>	Small (1 to 10 men) police forces were unable to provide around the clock service. There were some agreements to have emergency assistance but these were generally viewed as unsatisfactory.	Major	None
	Many of the smaller forces were undertrained and did not have an investigative capacity.	Major	None

Problem		Severity of Problem	
		Formerly	At Present
Fire	The Ontario Provincial Police (O.P.P.) which policed rural areas would not enforce municipal by-laws.	Moderate	None
	Urban residents paid for local police directly and paid 90% of the cost of rural O.P.P. coverage. (Presumably this inequity was seen as severe by urban residents and as minor by rural residents.)	Major	None
	There was some difficulty in co-ordinating the activities of the various police forces. The problem today is limited to co-ordination between the O.P.P. and the regional force.	Major	Minor
	Several of the smaller areas were having some difficulty raising volunteer forces. This has been improved, although at considerable expense, by the amalgamation of former small municipalities into cities and by the development of full-time forces in some areas.	Moderate	Minor
	While mutual aid worked well, in rapidly growing areas there was some problem of equipment being unsuited to large buildings. Again, the only improvements have been the expansion of large city forces following amalgamations and the implementation of a '911' emergency system.	Moderate	Minor
	Some concern was expressed about the lack of co-ordinated fire training, purchasing and planning activity. To some degree the new fire co-ordinator position has ameliorated those concerns.	Moderate	Minor
Protective Inspections	Building inspections were not done thoroughly in many of the former municipalities. Comparison data are difficult to come by, but there appears to be more rigorous inspection now – albeit at higher cost.	Major	Minor



Problem		Severity of Problem	
		Formerly	At Present
<b>Licensing</b>	The multiplicity of licences from various authorities which were required to allow a carter, taxi or car rental business to carry on business in the four city areas was a concern. To the extent that only two authorities are now involved (the Region and Guelph) the problem is not as great, although outdated legislation requires the Region to issue separate cartage licences for each city.	Major	Moderate
	Licensing was the responsibility of the appointed police commissions in cities. This was seen to be a poor forum for sensitive community issues. The Regional Council and local councils now have those powers.	Moderate	None
<b>Roads</b>	Suburban Roads Commissions were generally conceded to be unwieldy and artificial contrivances which led to substantial dispute.	Major	None
	The fragmentation of the former system was thought to lead to difficulty in developing road spending priorities and solving major traffic problems. To some extent the same problem is thought to exist but only in developing regional priorities.	Major	Moderate
	Some provincial roads were not carrying sufficient volume to justify 100% provincial maintenance. These have been turned over to the Region.	Moderate	None
	Provincial grants to the former cities were made on the basis of their total roads needs. Thus, if the highest priority roads in a city were major arteries, they received attention. Now grants are made to the cities for local roads and to the Region for regional roads. As a result it can and does happen that a city has sufficient funds to upgrade a local road. However, as the regional road it feeds into is not a high regional priority, it remains in poor repair while the more logical route would have been to repair the main road first. This is particularly ironic	None	Major



Problem	Severity of Problem	
	Formerly	At Present
	<p>planning and taxation were often left with no choice but to follow directions established by other bodies. Since the municipal councils were held responsible for the government of the community but had little control over water supply, this was seen as a serious problem. This problem no longer exists because Regional Council is responsible for water supply.</p>	
	<p>The large number of municipalities in the area prevented a concerted effort to find long-term water supplies. Although the provision of future water is still a problem, institutional barriers have been reduced. The Province and Grand River Conservation Authority must still be involved in evaluating most long-term proposals.</p>	<p>Severe</p> <p>Major</p>
	<p>Inasmuch as each municipality was paying its own way whenever new capital expenditures were undertaken, each faced major peaks and troughs in rates and charges over the years. The common water and sewage rates have virtually eliminated these problems.</p>	<p>Major</p> <p>None</p>
	<p>The ultimate measure of the effectiveness of the sewage treatment system was the fact that in several places the Grand River became too polluted to use for recreational purposes. It is too early to judge whether the new system can reverse this sad comment.</p>	<p>Severe</p> <p>Too soon to evaluate</p>
Garbage Disposal	<p>Finding landfill sites was almost impossible under the former system for the cities. All conceded the need for the cities to dispose of their garbage "but somewhere else please." The vesting of this responsibility in the Region allows for a resolution of this problem in an open political forum.</p>	<p>Major</p> <p>Moderate</p>
	<p>Several dumps and landfill sites were operating below environmentally safe levels. The Region now meets en-</p>	<p>Severe</p> <p>Minor</p>

Problem	Severity of Problem	
	Formerly	At Present
	<p>vironmental regulations, albeit at substantially higher costs.</p>	
	<p>Several municipalities in the former system toyed with examining recycling but gave it up due to lack of scale. The Region is just now pursuing recycling options, although even at that scale, costs will be high.</p>	
Public Health	Moderate	Minor
	<p>There was only one problem which was raised by Dr. Fyfe in relation to public health. He expressed strong concern that the public health function was run in an isolated manner by a self-governing body. He cited the need for integrating the public health function with the rest of the community. The abolition of the Board of Health has done this.</p>	
	<p>Here lies one of the major improvements over the old system. The public health function is working well as part of the regional administration, even though its spending has increased only at about the rate of inflation.</p>	
Social Services	<p>Few services raised more complaints during the Fyfe study than social services. Seven major concerns with the way social services were provided under the old system were cited.</p>	
	<p>Fragmented jurisdiction was a prime concern. All fifteen local municipalities paid welfare to their needy but the way it was done varied from humane to insulting. As well, little other support was offered.</p>	
	Extreme	Major
	<p>There is still a problem with fragmentation, although to a much lesser degree. The Region now has sole local responsibility for welfare and is working closely with other agencies to treat a family with problems as a unit rather than as several different files. Our assessment, shared by most social service profes-</p>	

Problem	Severity of Problem	
	Formerly	At Present
	<p>sionals, is that there is still far too much fragmentation and poor inter-agency communication; however, the introduction of the Region has meant vast improvement.</p>	
	<p>Restricted financing resulting from municipal penny pinching and the dependence of charitable organizations on donations was seen as an impediment to good service delivery. Although we have heard less than did Dr. Fyfe about this issue, it is still of concern.</p>	<p>Major                      Moderate</p>
	<p>Strong views were expressed that undertrained and uninterested people were involved in social services in many municipalities. This was seen as the result of poor pay. The Region's pay is now competitive and we have heard considerable praise of its staff.</p>	<p>Severe                      None</p>
	<p>Lack of service was also cited, but it was and is a question of lack of funds and poor co-ordination. Again, the new structure has helped fill some gaps. For example, it is no longer profitable for townships to encourage their poorer residents to move to the cities in order to apply for assistance.</p>	<p>Severe                      Moderate</p>
	<p>Dr. Fyfe paid particular attention to children. It was felt that problems with adolescents were the major social problems in society and yet there was no integrated children's program. To put it bluntly, there still is not.</p>	<p>Severe                      Severe</p>
Recreation, Parks	<p>The role of the Grand River Conservation Authority (G.R.C.A.) in providing parks in addition to municipal parks and perhaps provincial parks was called into question, as was the fact that the G.R.C.A. had access to major grants for parks development that the municipal councils did not. It is no more reasonable now than then, and with the tighter economic circumstances now, it is a more serious problem.</p>	<p>Moderate                      Major</p>



Problem	Severity of Problem	
	Formerly	At Present
	Moderate	Minor
	<p>It was argued by some that rural residents were receiving "a free ride" in recreation. They were allegedly making use of urban facilities and paying only a nominal fee toward them. Most of the townships now have fairly extensive recreation programs.</p>	
<b>Planning</b>	<p>Perhaps no aspect of the local government system was the subject of so much criticism then and now. The lack of capacity in the old system to develop broad and forceful land-use policies was one of the major weaknesses that led to the reform of local government. Regular annexations, disputes over shopping centres and industrial sites, threatened water supply, unco-ordinated transportation planning, and other fundamental problems were largely unresolvable. A number of factors led to this situation, some of which are still present to varying degrees.</p>	
	Severe	Minor
	<p>There was no area-wide body to deal with these problems. Other than an advisory board – the Waterloo County Area Planning Board – there was no body to address these issues. That board had no power to act and was ignored when the interests of any one of the municipalities happened to conflict with a broader interest. It is generally agreed that this problem does not now exist. In fact, the prominence of the Regional Municipality in performing this function has led to widespread criticism that it has gone too far. Nevertheless, as far as the capacity to address these issues goes, the new structure is clearly superior. It is limited only by provincial controls and the support of its council.</p>	
	Extreme	Major
	<p>The former system was plagued by a sometimes frantic competition for assessment dollars among the municipalities. This often led to less than optimal solutions. While there is still such competition, it has been reduced by:</p>	

Problem	Severity of Problem	
	Formerly	At Present
<ul style="list-style-type: none"><li>• The spreading of taxation for 75% of expenditures.</li><li>• The provincial resources equalization grant (REG) which goes down as assessment increases.</li><li>• The relatively strong policies of the Region.</li></ul> <p>Nevertheless, the pressure still exists as evidenced by the debate over the future use of land near Breslau and the Ontario Housing Corporation holdings.</p>		
In the former system, appointed planning boards were responsible for planning in each municipality which resulted in local councils treating planning as something isolated or separate from the day-to-day operations of the municipality. They also removed the planning process from the political forum more than was desirable. Virtually no one has mourned their demise during this Commission's work.	Major	None
The Province was seen to have too great a role in local planning decisions. Most of the Province's former powers have been delegated to the Region. Approval of zoning by-laws by the Ontario Municipal Board is the major exception.	Major	Minor
On the other hand, the Region which now performs several of the Province's former functions is seen to involve itself in more nit-picking and detail than did the Province. This is seen to be an unwarranted intrusion into local affairs.	Moderate	Major

Conclusion

*There have been both improvements in services and declines in services since Dr. Fyfe wrote his report. However, on balance, we must conclude that the improvements have far outweighed the declines. Furthermore, the most important services have all*

*shown major improvement (i.e. police, environmental services, and social services).*

## **Quality of Government Comparison: The Present Versus the Former System**

There is one other way to compare the merits of the former system and the present one. There are certain characteristics which are "good" in any representative, democratic government and others which are "bad". Through the course of the review, the Commission has been working with a set of criteria which it accepts as minimum requirements for an effective system of local government. There is nothing magic about the criteria used. Others could be added, these could be restated and some could perhaps be deleted; however, we believe the eight criteria we have used are generally accepted requirements for good government.

The eight criteria are: accountability, minimization of duplication and waste, clarity, capacity to respond, accessibility, participation, choice and resource sufficiency.

What follows is a comparison between the city/county municipal system in place prior to 1973 in this area and the present regional/municipal system, based on these criteria.

### **1. Accountability**

*Decisions made by local government should be the responsibility of duly elected representatives. Any delegation to appointed bodies or staff should clearly derive from and be the responsibility of the elected body in order that a relatively informed electorate can identify the elected representatives who are responsible for any decision. There must also be a clear mechanism for periodic elections to allow the approval or disapproval of the electorate to be expressed.*

The former system of local government was seriously deficient in accountability. Many major decisions were made by appointed bodies only loosely tied to local councils. In 1972 there were sixteen planning boards, fifteen committees of adjustment, five police commissions, one board of health, one conservation authority, five parks boards, nine statutory recreation committees, five library

boards, one children's aid society and three suburban roads commissions. All of these were appointed by municipal councils, the Province, or in the case of the children's aid society, largely self-appointed, to carry out a local government function. The key problem here is not that these bodies existed, but that each one had some statutory power which only it could exercise without reference to an elected body. Therefore, they were, in varying degrees, independent of council and each other, and in varying degrees, unaccountable to the electorate.

The situation in relation to accountability is by no means perfect in the present system. Thirteen of the sixty-one bodies mentioned above continue to enjoy statutory powers separate from council. However, a great many have been eliminated or made directly responsible to council. All sixteen planning boards have disappeared and all planning powers vested in the municipal councils. The fifteen committees of adjustment have been reduced to seven. However, a land division committee which did not exist previously was created in 1973 to handle consents and severances. Although the five police commissions have become one, that one is still statutorily separate from council. The board of health has been dissolved, as have the five parks boards, two of the library boards, all nine statutory recreation committees and the three suburban roads commissions. Some of these functions are now performed with the assistance of advisory committees to council.

Since 1972, in addition to the land division committee, the Province has created two new local government bodies – the District Health Council and the Social Resources Council – which are fascinating hybrids. The former reports to the Minister of Health, apparently on the needs and resources of the community in the health field. The latter reports to both the Minister of Community & Social Services and to the Regional Council; however, unlike the District Health Council, it only advises the Province through the Regional Council. Both of these bodies, but particularly the District Health Council, have the potential of becoming completely unaccountable local lobbies supported by tax money. Thus, in terms of independent special purpose bodies, although the present system has fewer and less powerful unaccountable agencies, it shows indications of growing a new group as a result of provincial legislation.

Accountability is not only affected by the number and importance

of decisions made by appointed bodies, but also by the degree of directness through which elected representatives are held to account. In that respect the previous system had advantages over the present one.

Some decisions which were made by the directly elected city councils are now made by the largely indirectly elected Regional Council. Also, since the Regional Municipality plays a greater role in the rural areas than did the County, more decisions are being made by an indirectly elected body.

On a third measure of accountability, the new system is vastly improved. Almost any action by a city or township council could have great effect on its neighbours. The contrast between the construction of Fairview Mall and the more recent Conestoga Mall clearly illustrates the differences between the two systems in their ability to control the impact which decisions made by one municipality may have on surrounding communities. Now, with the cities as part of the Region, these decisions which affect the broader community are considered by the representatives of the entire Region. Thus, Conestoga Mall went through a much tougher planning process and was greatly reduced in size.

In summary, although the present system provides for more accountability of decision makers than the former system, it still leaves much to be desired.

## **2. Minimization of Duplication and Waste**

*The system of local government should encourage the efficient use of staff and resources. Reduction of duplication can only be measured in relation to the resources applied by the whole system to meet the same or similar objectives.*

The present local government system has been criticized for fostering overlap and duplication. Our research has revealed some overlapping activities but it appears that the problem is more severe in perception than in fact. It is probable that the reverse was true in the old system – that is – that there was more duplication than was generally realized.

In several fields the services are clearly being provided with less waste and duplication: (a) police; (b) social services; (c) planning and zoning. In police and social services, several small and ineffective organizations, as well as some provincial involvement, have been



replaced by a consolidated operation at the regional level. Less money is not necessarily being spent on these services, but it is being spent to greater effect.

Only on planning have observers of the local government system evinced surprise. Planning is a service generally viewed to be full of duplication and we have recommended substantial changes to it. Nevertheless, compared to the old system, we believe the system is, if anything, more efficient.

- Instead of the local municipalities, the County Planning Board and the Province all being involved in development control as they were in 1972, only the local and regional levels are now active in that field.
- The time taken to approve plans of subdivision has been reduced from approximately fifty weeks to about thirty weeks,<sup>3</sup> on average.
- The Waterloo County Area Planning Board tried unsuccessfully to complete an official plan for five years, while within three years, the Region had developed an official plan.

In some other services the system appears to be neither more nor less efficient. Two may even be less efficient, water and sewer (extra level of administration), roads (involvement with cities).

We suspect that the system may be somewhat more efficient in those services which were formerly provided by separate boards but have since been integrated into municipal administrations in order to reduce overhead costs. These include health, transit and water.

Later in this report we recommend ways to overcome the problems of duplication.

### 3. Clarity

*Local government must be responsible for a clearly identifiable area and for clearly identifiable functions within the area.*

Who is responsible for what in the present system? The Commission's *Public Attitude Survey* reveals that practically no one can answer that question even for four of the highest profile services. Only 1.5% of this Region's residents can say who is responsible for education, fire, police and flood control. We can conclude from the public's perception that the system is not clear. Whether this is a

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<sup>3</sup>See pages 411-413 of *Planning Administration & Development Control*, Waterloo Region Review Commission, October 1978.

function of a myopic public or a confused system is discussed in Chapter One; the question here is whether the new system is more or less clear than the old one.

The answer is that we do not know. As there was no previous public survey on this subject, we have no grounds for comparison. However, logic tells us that the previous system was even less clear to the public. Among other things it featured:

- a joint planning board with no power to plan;
- three suburban roads commissions that functioned like mini-counties within the County;
- five police villages that had no police;
- water commissions that provided public transit;
- utilities commissions that provided hydro, usually water, only sometimes transit or gas, and never sewers;
- a board of health responsible to the Province but considered a local government;
- local boundaries changing on an average of twice a year.

The discussion of the two systems in Chapter One of the *Operational Summary* lays out in detail how confusing the previous system was.

#### 4. Capacity to Respond

*The elected representatives must be able to respond to the will of the electorate in matters of local concern. The test of the system is not whether an elected body does respond but whether it has the capacity to do so.*

In this respect there is no contest between the two systems. On virtually every front, the former municipal system was hamstrung by neighbouring municipalities, several special purpose bodies or the Province. Problems that transcend municipal boundaries are now fewer because the municipalities are bigger and cities and towns are less tightly hemmed in. Furthermore, as problems that do transcend local boundaries are likely to be regional responsibilities, there is a built-in capacity to respond. Under the previous system the County itself had no planning, water, sewer, health or social service function. The present system is still constrained in its capacity to respond to ratepayer demands by provincial regulations, by the fragmentation of authority among a number of bodies, and by limited access to funds. However, the previous system was much more greatly constrained by each of these factors.

## 5. Accessibility

*The elected must be within touch of the electorate. Accessibility can be affected by a number of factors including geographic location and time available to representatives.*

The previous system was more accessible to the public than the new system. Municipalities were smaller; there were more municipal councillors; and most bodies advertised when they held their meetings. However, for a system to be truly accessible, the public must be able to gain access to the decision maker. Very frequently the local council to whom one could gain access easily was not the final decision maker or, because of the constraints mentioned above, was unable to respond to the demands of the public.

This does not minimize the fact that the elected bodies in the previous system were inherently more accessible than at present. Nonetheless, although the present system is characterized by larger municipalities and more region-level responsibilities, it is still of a scale where access is reasonably good. There are seventy-three municipal councillors in the Region, or one for every 4,000 people. Since all but seven councillors and seven mayors are elected by wards, there is a fairly even geographic spread of councillors.

## 6. Participation

*Residents must be able to participate in local government with reasonable ease. Participation is reduced by such factors as barriers to seeking office, barriers to providing voluntary services on local agencies, barriers to gaining access to elected representatives, as well as geographic remoteness and the complexity of the system.*

The opportunities for participating in local government are somewhat fewer than under the old system. Although no actual count of people serving in one capacity or another at any given point of time has ever been taken, since there are only about half the number of governments and local government agencies as previously, there are clearly fewer participants.

The advisory committee structure that is emerging at both the local and regional level is beginning to make up for this reduced opportunity for participation.

Such institutions as nomination meetings used to provide

opportunities for participation in local government of another kind; however, most of these traditional open meetings have given way to “efficiency.” Participation could be enhanced by reintroducing some of these vestiges of participatory democracy.

## 7. Choice

*The local government must be able to choose among the demands placed upon it on matters of purely local interest and direct the community's resources towards meeting those that it deems to be of the highest priority.*

It is upon this criterion that both the present and former system of local government fall down badly. Neither system was structured in such a way as to allow a single elected body to determine how the community's resources were to be used. There were and are a host of bodies, each establishing priorities within the service for which it is responsible, but no one is able to say – “We have enough of this (say parks) so we'll spend more on this (say police).” Until some ability to set “community” priorities is built into the local government system, this criterion of “choice” will be left unsatisfied.

It is of little consolation that the new system has improved substantially over the former one in this regard. The formerly independent bodies responsible for water, transit, health, some planning, some gas, some libraries, some recreation facilities, some roads and the home for the aged are all now part of the municipal councils' responsibilities. However, over 70% of local government expenditures still take place outside the umbrella of the general purpose, local and regional municipal councils.

## 8. Resource Sufficiency

*Local government should have access to sufficient resources to carry out the functions assigned to it without distorting its priorities to meet the dictates of other levels of government except insofar as the other levels of government are responsible for broader concerns such as equity and standards.*

Since local government has only two major sources of revenue – property taxes and provincial grants – and both are relatively inelastic, there is a resource problem. However, the property tax is a revenue entirely within the discretion of local government and can

therefore be raised or lowered to some degree as the community demands. Provincial grants, on the other hand, fluctuate because of conditions to which the Province must react. These are rarely, if ever, the same pressures. The only grants which are not of this nature are the unconditional grants which are fixed by legislation.

The present system received 76.7% of its revenue (1976) from the property tax plus unconditional grants, while the former system received 88.2% (1970).<sup>4</sup> Thus, from the point of view of local control of revenue for local government, the system has deteriorated. However, judging by other areas where restructuring has not taken place, the percentage of revenues that are locally controlled has also declined.

Middlesex plus London received 83.7% of their revenues from property tax plus unconditional grants in 1970, but only 72.9% in 1976. Brant plus Brantford showed a similar trend: 83.2% in 1970 and 74.1% in 1976.<sup>5</sup> We can conclude, therefore, that local government generally is having a larger and larger portion of its funds provided through provincial conditional grants to meet provincial objectives and therefore has relatively less funds for meeting its own objectives. The existence of regions has neither improved nor worsened this.

### Summary

When the old city/county system is compared to the present regional government system on the basis of these eight criteria of sound local government, we find that the present system is superior on four counts (accountability, clarity, capacity to respond and choice), at least equal on one (minimization of duplication), and inferior on two (participation and accessibility). There was no relationship between the systems and the last criterion.

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<sup>4</sup>*Financial Data Base*, pp. 562, 563

<sup>5</sup>*Ibid.* pp. 550 to 557



## Conclusion

*This chapter began with a question. "How well is regional government working in Waterloo?" This Commission believes it is working far better than the previous system. It has fewer practical problems, it is more cost effective, and in principle, it is superior.*

**Recommendation 2.1: That the Province and local governments should direct their energies to improving the present system rather than revert to the former system. While the system of local government now in place in Waterloo Region has some problems, the previous system was inferior and not much less expensive than that now in place.**



# PART TWO

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## Structures

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# One Tier or Two?

## Introduction

The Review Commission has been faced with one issue throughout its existence that overrides all others. Should the regional system be improved or should it be discarded in favour of some other system? We have approached this question with care and given it a great deal of thought and discussion. Where possible, we have researched the impact of various alternatives.

In the final analysis, it comes down to a judgment call. There are an infinite variety of systems that might work. Does any of them have a better chance at success than an improved regional system? We believe there are only three realistic alternatives to some form of regional government in this area and all are forms of one-tier government.

There are three versions of one-tier structures with some supporters in this Region.

**Alternative A.** A single one-tier government for the whole Region.

**Alternative B.** A single one-tier government for Kitchener, Waterloo, Woolwich, Wellesley and Wilmot, and a separate one-tier government for Cambridge and North Dumfries.

**Alternative C.** Three one-tier governments based on the three cities: Kitchener-Wilmot; Waterloo-Woolwich-Wellesley; Cambridge-North Dumfries.

It is not our intention here to weigh the pros and cons of these three alternatives separately because each has many characteristics in common with the others. Rather, we will examine the essential differences among these alternatives, and between them and a regional government.

There are basically three differences to be discussed and they can be expressed in the form of questions.



**1. Should the rural areas and small towns of Waterloo Region amalgamate for all local government purposes with one or more of the cities?**

**2. Should Kitchener and Waterloo amalgamate?**

**3. Should Cambridge secede from the Region?**

- If we decide that the rural areas should amalgamate with the cities, Kitchener and Waterloo should amalgamate and Cambridge should secede, then two one-tier regions would be appropriate (one north and one south of 401) as in Alternative B.
- If we decide that the rural areas should amalgamate with cities but Kitchener and Waterloo should not amalgamate, then regardless of whether Cambridge should secede, three one-tier regions would be appropriate as in Alternative C.
- If we decide that the rural areas should amalgamate with one or more of the cities, that Kitchener and Waterloo should amalgamate and that Cambridge should not secede, then a single one-tier system for the whole Region would be appropriate as in Alternative A.
- If, however, we decide that the rural areas should not amalgamate with the cities, then no version of one-tier would be appropriate. We can then consider the Kitchener-Waterloo amalgamation question and the Cambridge secession question separately.

Thus we have addressed ourselves to question one. The answer to it will determine our view of whether there should be some version of a one-tier system.

## **One Tier or Two: Should the Rural Areas and Small Towns of Waterloo Region Amalgamate for all Local Government Purposes with One or More of the Cities?**

All three alternatives to some form of two-tier local government structure involve the incorporation of the whole of the Region of Waterloo into one or more cities. Both the City of Kitchener and, to a less extreme extent, the City of Cambridge in their briefs to this Commission advocated such a course. In similar reviews elsewhere, representatives of the largest cities also favoured one-tier structures.

Metropolitan Winnipeg became “Unicity” largely because of pressure from the City of Winnipeg; Hamilton has persistently demanded a one-tier structure in Hamilton-Wentworth. Some representatives of Mississauga in Peel, Toronto in Metro Toronto, Oshawa in Durham, Sudbury in the Region of Sudbury and Ottawa in Ottawa-Carleton have from time to time made the case for a one-tier system. The case has almost always been the same – efficiency, clarity and “master of our own house”. These are the elements of the one-tier arguments and they are substantial elements.

Advocates of one-tier governments, such as the council of the City of Kitchener, argue that a two-tier system, no matter how it is structured, will contribute to a greater delay, more duplication and higher costs than would a single, large administration. They respond to the observation that the cities were in effect one-tier separated units under the city/county system which was so clearly inadequate, by noting that in those circumstances, city boundaries were drawn so tightly that the areas of immediate influence around the cities were excluded from their municipal purview. This resulted in a host of ad hoc bodies being necessary such as suburban roads commissions, health boards, boards of education, joint planning boards, homes for the aged boards and conservation authorities, which among them constituted the equivalent of a second-tier of government.

The kind of one-tier structure Kitchener councillors have in mind would not suffer most of those weaknesses. It would create one, two or even three large cities encompassing large geographic areas. Their argument is that, if the area is big enough, the need for these ad hoc intermunicipal bodies will be reduced to a minimum.

## **Efficiency Arguments**

The one-tier supporters reason that a one-tier structure in the Region of Waterloo would remove several municipal administrations and the costs associated therewith. This would reduce administrative overhead, eliminate several civic servants and produce a more efficient system.

This is a convincing argument as far as it goes. If a “bare bones” one-tier structure were introduced, there doubtlessly would be a savings through a reduction in staff. It is difficult to speculate just how many positions could be trimmed. If every position that

could be cut were cut, there would be substantial savings. Presumably, in the case of two or three one-tier units the savings would not be as great as they would be if there were only one such unit.

Offsetting these potential savings, however, are two very real factors that cannot be ignored. First, in any restructurings of which we are aware – whether of a one-tier or two-tier nature – massive staff cuts have not occurred. In Ontario, the legislation which restructured various municipalities has always had a clause guaranteeing that every employee will keep his job with at least the same salary, for one year. Our inquiries suggest that the one-year guarantee is effectively a permanent guarantee. Very few if any employees have been declared redundant after the one-year period expired.

It is conceivable that such a guarantee would not be provided here. Even in this unlikely event, we doubt that in this age of militant employees major layoffs would occur.

Second, there is a phenomenon known as “levelling up”. In *Regional Government in Perspective: A Financial Review*, the Ministry of Treasury, Economics and Intergovernmental Affairs suggested that after a restructuring “service levels increased from below average positions before reorganization to the standards enjoyed by the more developed areas.”<sup>1</sup>

Without doubt this same effect would be felt in the event this area moved to a one-tier system. Once the whole Region had to pay taxes at the levels now paid by the cities, it can be safely assumed that demands for equal service levels would not be far behind.

We have not tried to estimate what effect levelling up in service levels would have since we would be doing no more than guessing. However, it appears to us that the probability of restrictions on layoffs, plus a significant levelling up in services demanded and provided, would at best result in no reduction in costs when balanced against possible administrative efficiencies.

The second and most strongly voiced efficiency argument put forward by advocates of a one-tier system is that the money, time and frustration now spent in sorting out problems between the two tiers would be almost entirely eliminated.

This indeed is true and it is no small factor. Intergovernmental dealings take up only a small portion of councillors’ time and virtually

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<sup>1</sup>Page 22.

no operating staff time, but they consume senior staff and citizens' time at a great rate. We have no way of measuring how much senior staff time is spent trying to rationalize competing programs, sorting out issues related to shared programs and generally communicating with counterparts at other levels. Certainly it represents a significant portion of their time.

Even more seriously, we have been besieged by complaints from citizens that often and repeatedly they are sent back and forth between local and regional departments for everything from pot holes to plans of subdivision.

Even in a two-tier system, the amount of bouncing from level to level can be greatly reduced with a little forethought and co-operation. A citizen's complaint about the condition of a road, for example, might well be made to the local municipal office only to be informed it is a regional road and his complaint should be directed to the regional office. Having contacted the regional office, he may then be informed the maintenance on regional roads in cities is contracted back to the cities and therefore the city's roads department is responsible. Assuming the citizen provided sufficient detailed information, the person in the local municipal office should be sufficiently aware of the system to direct the inquirer to the correct office. We also think the local planning offices could receive applications for regional as well as local approvals and act as advocate for the applicant in urging response from the Region. This would minimize the necessity for the applicant to journey from office to office.

These and other practices to reduce the built-in frustrations of a two-tier system are workable, reasonable, and in force elsewhere. It is our observation that it is only lack of enthusiasm and foresight that has prevented such co-operation here. We discuss this point further, in Chapter Seven. Nevertheless, a one-tier system would eliminate most of these problems by definition.

There is a third efficiency argument that argues against one-tier systems. The smaller scale of the rural areas and small towns tends to allow them to provide the services they want or need at somewhat lower costs than can the large centres. If the smaller areas were to amalgamate with the cities, they would lose these advantages.

The reasons for these lower costs are community spirit, volunteerism and lower wages. The importance of volunteer labour is not to be underestimated. Sidewalks are shovelled, arenas are built,



ball diamonds are built and staffed, fires are fought and a host of other activities for which the taxpayer must pay the bill in the cities are performed by volunteers in small communities.

Many urban residents apparently do not realize the degree to which volunteerism is important to small communities. The fire fighters in all four townships are volunteer; several recent rural recreational facilities were constructed through labour or funds donated by community residents; local people bought a sidewalk plow in at least one community and a local man volunteers his time to clear every sidewalk in one community.

Whether this community volunteerism would be lost in a one-tier system is open to question. However, we expect that residents of small communities who find themselves paying the same taxes as city residents will be little inclined to pay again for these services through volunteer labour. It also seems likely that a one-tier system would reduce community identification somewhat and thus reduce volunteerism.

The lower municipal wage rates are important. Our research report, *Study of Municipal Salary Expenditures*, was unable to make meaningful comparisons between all positions in the smaller municipalities and in the cities. However, it did uncover some facts. Rural operating salaries are very little lower than, or are identical to city level salaries for some unionized employees. In all other cases salaries are lower and in some cases far lower. If there were a single employer, the salary levels would certainly move to the highest present level.

Perhaps the most forceful "efficiency" argument against including all municipalities in one or more one-tier units is included under "efficiency" only for ease of classification. It is really an argument against one-tier government based on cost shifts.

We have calculated how much is being spent per household in every municipality in the Region and have calculated how much the per household costs in Kitchener and Cambridge would decrease and how much they would rise in the other municipalities if two one-tier units were established in Waterloo Region. Two assumptions are made here: that the cost of providing services in total will not increase and that the distribution of the costs would be uniform. This latter assumption may be questionable since some services may be charged only to those receiving them and not to all taxpayers. Experience suggests it will not vary the cost-shift analysis to any great degree.



We have used the 1976 per household figures to make the calculations in Tables 3.1 and 3.3. These calculations do not take into account increased spending since 1976, nor do they include the anticipated increased costs discussed above.

From these tables and graphs we can see that North Dumfries, Woolwich, Wellesley and the City of Waterloo would suffer increases in expenditures per household simply because of the shift from Kitchener and Cambridge. Kitchener would face a small decrease and the shift for Cambridge and Wilmot would be negligible.

**Table 3.1     1976 Per Household Expenditures Apportioned Over a One-Tier Northern Municipality**

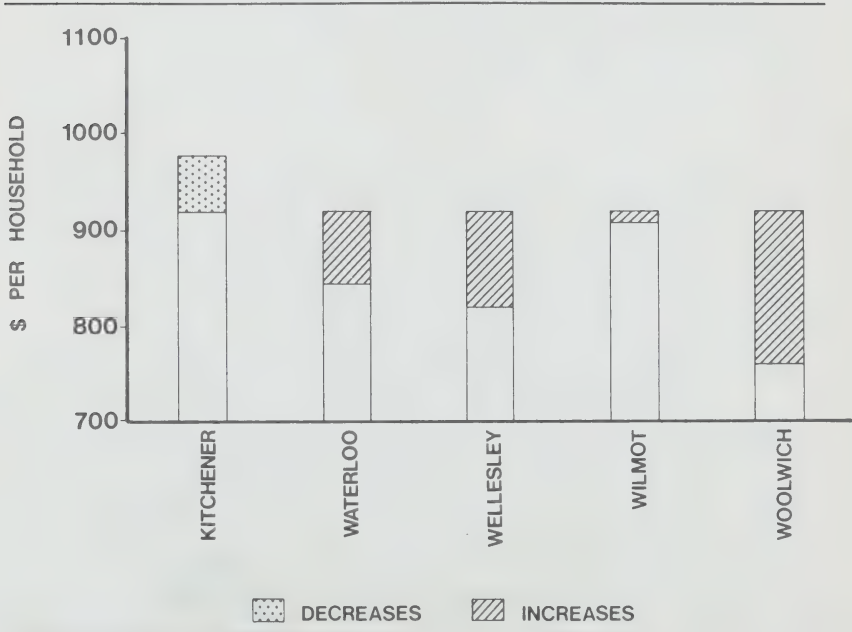
(1)	(2)	(3)	(4)	(5)
Municipality	Actual 1976 Per Household Expenditures*	% of Total Households**	Column 2 Expenditures Apportioned as in a One- Tier City***	Increase (Decrease) as a % of Column (2)
	\$	%	\$	%
Kitchener	972.68	63.672	923.19	(5.08)
Waterloo	847.19	23.142	923.19	8.97
Wellesley	814.42	2.354	923.19	13.35
Wilmot	909.05	4.306	923.19	1.55
Woolwich	758.62	6.525	923.19	22.08

\* Totals of Program Area per household expenditure from the *Financial Data Base*, pp. 81 to 97.

\*\* Source: 1978 Municipal Directory page 20.

\*\*\* Derived by multiplying each column (3) number by the corresponding column (2) number, adding the products and dividing by 100.

**Figure 3.2     Changes in Cost Distribution in a One-Tier Northern Municipality Based on 1976 per Household Spending**



**Table 3.3      1976 Per Household Expenditures Apportioned Over a One-Tier Southern Municipality**

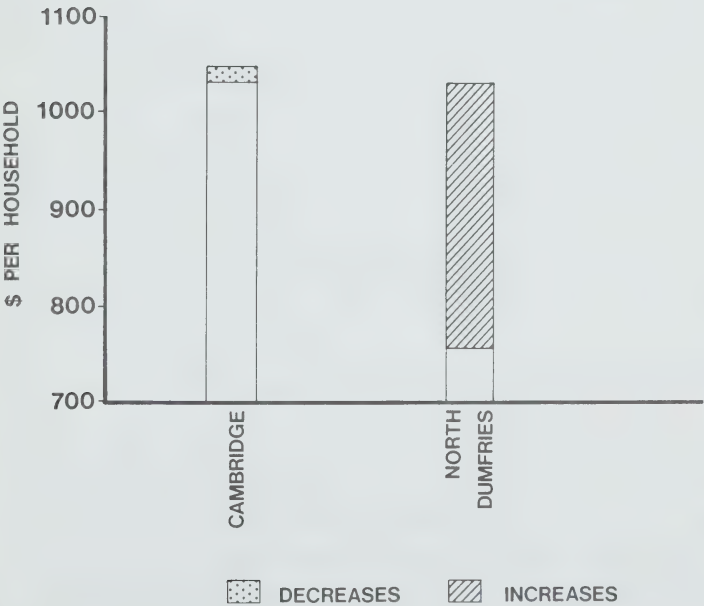
(1)	(2)	(3)	(4)	(5)
Municipality	Actual 1976 Per Household Expenditures*	% of Total Households**	Column 2 Expenditures Apportioned as in a One- Tier City***	Increase (Decrease) as a % of Column (2)
	\$	%	\$	%
Cambridge	1,044.56	94.03	1,027.16	(1.66)
North Dumfries	753.09	5.97	1,027.16	36.39

\* Totals of Program Area per household expenditure from the *Financial Data Base*, pp. 81 to 97.

\*\* Source: 1978 Municipal Directory page 20.

\*\*\* Derived by multiplying each column (3) number by the corresponding column (2) number, adding the products and dividing by 100.

**Figure 3.4      Changes in Cost Distribution in a One-Tier Southern Municipality Based on 1976 per Household Spending**



## Conclusions of Efficiency Arguments

*This Commission agrees that the introduction of one-tier government could conceivably result in some administration savings but only if some very harsh decisions were made and adhered to in the face of the resulting outcry. We reject the concept that a one-tier system is more efficient by definition than a two-tier system in Waterloo Region. We suggest that both north and South of the 401 it would result in an unjustifiable shift of costs from larger centres to smaller ones. It might also, in some instances, actually be less efficient, provide less variety of service choices, more standardization and more bureaucracy.*

## The Clarity Argument

An argument put forward by many advocates of one-tier government and discussed in both Kitchener's and Cambridge's brief is that a one-tier system is more understandable than a two-tier system. This argument is obviously valid. The present two-tier system is confusing.

The clarity argument, however, would only be valid if the one-tier area was large enough that the Province would not find it necessary to create the welter of intermunicipal bodies that made the former system so confusing. In the case of Waterloo Region only a region-wide, one-tier body would be sure to accomplish this. At most there could be no more than two one-tier units. Thus, the clarity argument could not be used if Waterloo and Kitchener were included in separate one-tier bodies because it would be necessary to create several inter-city bodies for such common problems as transit, health, planning, roads and homes for the aged.

## The "Master of our Own House" Argument

Herein lies the crux of the one-tier issue. Once the arguments for and against one-tier have been bandied back and forth, many adversaries will agree that efficiency and clarity do not really have a lot to do with the issue. Rather, the main argument for one-tier is something less easily definable. A frequent refrain of opponents of

the one-tier was, “We don’t want Kitchener (Cambridge) to run us!” and proponents of it said, “We want to run Cambridge (Kitchener) ourselves!”

It is these feelings of loyalty and mistrust which form the basis for most of the emotion that is spent on this issue. It is not an overstatement to suggest that the proud cities of Kitchener and Cambridge resent the fact that beyond their municipal borders stand a second level of municipal government which holds some influence over their affairs. It is not that the cities fear that the upper-tier unit will make decisions which will harm them. In fact, in conversation with many Cambridge and Kitchener councillors it was generally conceded that the Region had not had a harmful effect on the city. Furthermore, the Regional Council has made only a few decisions which the representatives of either city solidly opposed. The resentment is that the Region is there at all.

These are not irrational sentiments, nor should they be dismissed as insignificant. We have come to the conclusion that these are the motivating sentiments which most divide this region.

On the other hand, the strong reaction of rural and City of Waterloo councillors and residents against a one-tier system is equally emotional. The cost shifts are a factor; the remoteness of city hall is a factor; but when it comes down to the crunch, the stand against one-tier is taken on the grounds of, “We don’t want Kitchener’s (Cambridge’s) problems and we don’t want them running us.” Again most of the anti one-tier councillors we interviewed conceded that they did not think the cities would try to harm them in a one-tier system. They also recognized that they had a lot in common with the cities and would have one vote just like any other residents.

These sentiments are born of tradition. For years city administrations have viewed counties and their constituent municipal organizations as rustic vestiges of a time gone by and the rural municipalities have resented and occasionally frustrated urban designs. In most cases, rationality, good sense and a clear view of a common interdependence kept these rivalries from surfacing. However, in times of stress such as annexation hearings, suburban mall applications and road alignments, they were laid bare.

While neither denigrating a healthy tradition of competition, nor worrying about the occasional spitefulness that feeds that tradition, this Commission suggests it lasted too long and grew too strong in



the last years of the old system. Wise men and women on county council and city councils recognized the danger in continuing in the old mold and began a process which broke it. While the tradition is broken in structure, it continues in spirit and will for a generation or so. Nevertheless, as long as the federation is seen to be working in the interests of all, there seems to be no need to react even further to the tradition of city/county and inter-city rivalry.

It is only if the situation deteriorates to the extent that the upper-tier council itself becomes infected with sufficient resentment causing one group to habitually vote against another in principle, that action must be taken. It is on the threat of this situation that the strongest case for Cambridge secession stands. However (as discussed on page 95) in the foreseeable future there is no threat of parochial interests on Regional Council becoming so entrenched as to make it unworkable.

## Conclusions

On page 49 we set out to decide whether a one-tier system is appropriate for this area. In the intervening pages we have ignored the minor aspects of the debate and keyed upon the three which we believe make or break the case – efficiency, clarity and “master of our own house” attitudes.

1. *A one-tier system in Waterloo Region would not necessarily be more cost efficient than a two-tier system and might well be less so.*
2. *There would be an unfair (and in some cases onerous) shift of costs onto the smaller municipalities and only slight cost benefits to Kitchener and Cambridge. These could easily be offset with greater costs occasioned by the transition.*
3. *A one-tier system is by definition more easily understood, but the present system could be made much clearer than it is.*
4. *A one-tier system that did not incorporate the whole Region would require a number of joint special purpose bodies which were one of the great weaknesses of the old system.*
5. *Many of the strongly held and emotional views behind the pro and anti one-tier factions are understandable and venerable. Nonetheless, they are irrelevant to the debate.*

# Should Cambridge Secede from the Region?

## Introduction

This is perhaps the most controversial and strongly debated issue with which this Commission must deal. On the one hand, we are faced with a tradition of co-operation and interrelation between the north and south parts of the Region dating back to 1852 and the first days of Waterloo County. On the other, we are faced with what has always been a rivalry between the two major urban complexes of this Region.

We see a system of government now in place that serves the same area as the old Waterloo County except that the cities are now part of the upper-tier system. Only a decade ago the City of Galt expressed a desire to re-enter county government. Yet, now we find many residents of part of the area wanting out.

Perhaps the first question one has to ask about the sentiment for secession is why it exists. We have heard from some skeptical observers that such a public sentiment is inexplicable. We do not agree. There are some compelling arguments which suggest that Cambridge should not be part of the Region. We are convinced that 36.4% of the qualified electors of a good-sized city do not vote to secede from their system of government without some firmly held reasons.

In order to understand and evaluate these reasons, we have conducted extensive interviews and discussions with Cambridge residents and have followed with care all comments to editors, municipal councils and this Commission. We believe that we now have a fairly clear view of the motivation which has resulted in such a strong statement of public opinion.

The vast majority of Cambridge residents who voted in the recent referendum and probably most who did not are of the opinion that their present system of local government is not serving them

well. We can break down the reasons for this feeling into several points of view.

### **Financial**

- As do most residents of all parts of the Region, Cambridge residents believe the regional government system is far more expensive than the previous system.
- Perhaps more than do residents of other areas, Cambridge residents believe that their city could perform local government functions on its own for less cost than can the Region.
- Some Cambridge residents argue that they are subsidizing other parts of the Region.

### **Functional**

- Many Cambridge residents believe that the Region is not providing the quality of service the city could provide if it were responsible for the functions now provided at the regional level. Specifically, we have most often heard this suggested about police, roads and water services.
- In addition, there is a view that there is considerable duplication between the two levels of government, particularly in planning and roads.

### **Quality of Government**

- Many people have argued that the City of Cambridge on its own would provide a more accountable and democratic system of local government than the present system.

### **Public Opinion**

- There is a strong argument that the endorsement of secession in last November's vote should be honoured and Cambridge allowed to secede.

### **Community of Interest**

- This is perhaps one of the longest standing cases made against the present regional system. We have often heard that there is little in common between the north and south parts of the Region.

We believe these points sum up the major arguments behind Cambridge's desire to secede from the Region.

Our next challenge was to find a way to evaluate the validity of these views and to assess the impact secession would have.

We have discussed the issues here under the same headings as above – financial, functional, quality of government, public opinion and community of interest. Under the “financial” heading we concentrated on three issues.

- Have Cambridge taxpayers been paying more for regional government than they have received from the Region?
- Could Cambridge function at a lower cost to the Cambridge taxpayer if it were separate?
- Would Cambridge secession save money for the rest of the Region?

The first question simply evaluates the present cost versus the present benefit; the second attempts to assess how much Cambridge would have to spend on its own; and the third examines the effect that secession would have on fixed costs and economies for the rest of the Region.

Under the “functional” heading we have explored whether the various services the Region provides to Cambridge are provided well and whether the complaints about them are valid. In cases where they are found to be valid, we try to determine if a separate Cambridge could provide the services at a higher level for the same cost.

Under the “quality of government” heading we try to evaluate the improvements in accountability, accessibility and local democracy which would result from a separate Cambridge.

The “public opinion” questions move us into delicate territory. We have tried to assess if the people of the Region as a whole and Cambridge in particular understand the distinctions between a separated Cambridge and the present regional system. This is a particularly important point because of the strength of the opinions expressed.

Finally, under “community of interest” we have evaluated the strength of the ties between the two urban complexes north and south of Highway 401 and attempted to determine to what degree they are independent.

This complex analysis was, as the reader might suspect, an arduous task. The vast amount of information required to put it together required the assistance of a great many people in the Cambridge, regional and provincial administrations. The Commission is sincerely grateful for the co-operation it received from these people.

## Financial Factors

### **Are Cambridge Taxpayers Paying More Into the Region than They Are Receiving From It?**

#### Expenditures

This analysis was prepared by the Commission and discussed with the Treasurer of the City of Cambridge and members of the Region's Finance Department. Table 4.1 compares the payment to the Region by Cambridge taxpayers with the Region's expenditures in Cambridge in 1976, 1977 and 1978 (budget) and Table 4.2 summarizes that comparison. Appendix A explains the methods used to arrive at the allocation of benefit for some of the more complex services. As is normal in accounting exercises the most conservative reasonable estimates were used.

Those tables show that Cambridge had a net benefit of \$1,748,342 in 1976; \$1,557,569 in 1977; and \$1,482,406 in 1978 according to the regional budget.

Thus, in each of the last three years Cambridge has benefited from regional government to an extent considerably greater than its contributions to it but at a declining rate. The Region's five year forecast which estimates the capital expenditures suggests much the same pattern can be expected over 1979-83. Beyond then the rate of benefit will fluctuate but will remain substantial for the foreseeable future.



**Table 4.1 Comparison of Costs of Services Provided in Cambridge by the Region with Cambridge's Share of the Regional Levy for the Years 1976, 1977 and 1978<sup>1</sup>**

	1976 Actual				1977 Actual				1978 Budget			
	Cambridge's		Share of		Cambridge's		Share of		Cambridge's		Share of	
	Estimated Cost of Services Provided in Cambridge	Actual	Difference	\$	Estimated Cost of Services Provided in Cambridge	Actual	Difference	\$	Estimated Cost of Services Provided in Cambridge	Actual	Difference	\$
Planning and Development	110,122	110,122	—	—	124,469	124,469	—	—	129,401	129,401	—	—
Roadways	964,066	834,653	129,413	129,413	1,268,660	1,041,960	226,700	226,700	875,778	1,098,320	(222,542)	(222,542)
Waste Management	486,789	418,063	68,726	68,726	334,395	331,629	2,766	2,766	365,917	299,665	66,252	66,252
Social Services	564,352	324,174	240,178	240,178	592,395	402,724	189,671	189,671	659,634	448,454	211,180	211,180
Day Care	66,983	40,325	26,658	26,658	72,660	43,878	28,782	28,782	86,441	51,669	34,772	34,772
Health Unit	114,920	99,077	15,843	15,843	119,764	104,162	15,602	15,602	137,916	119,956	17,960	17,960
Sunnyside Home	31,304	65,896	(34,592)	(34,592)	34,661	73,717	39,056	(39,056)	38,968	82,879	(43,911)	(43,911)
Children's Aid Society	116,168	101,775	14,393	14,393	127,879	113,191	14,688	14,688	134,768	119,295	15,473	15,473
Juvenile Offender Placement	15,049	13,184	1,865	1,865	10,712	9,481	1,231	1,231	10,476	9,273	1,203	1,203
Grand River Conservation	465,772	298,259	167,513	167,513	352,295	350,157	2,138	2,138	462,216	368,010	94,206	94,206
Waterloo Wellington Airport	24,300	19,798	4,502	4,502	23,536	19,176	4,360	4,360	23,402	19,067	4,335	4,335
Grants - Public Hospitals	519,227	228,381	290,846	290,846	519,430	269,178	250,252	250,252	459,517	248,201	211,316	211,316
Police	3,375,952	2,508,118	867,834	867,834	3,748,389	2,864,758	883,631	883,631	4,260,443	3,230,922	1,029,521	1,029,521
Others - per list	900,391	900,391	—	—	632,338	632,338	—	—	774,755	774,755	—	—
Sub-total	7,755,395	6,022,216	1,733,179	1,733,179	7,961,583	6,380,818	1,580,765	1,580,765	8,419,632	6,999,867	1,419,765	1,419,765
Sewage Treatment	770,944	770,944	—	—	657,860	657,860	—	—	783,815	783,815	—	—
Water	639,793	624,630	15,163	15,163	768,042	791,638	(23,596)	(23,596)	906,996	844,355	62,641	62,641
<b>Total</b>	<b>9,166,132</b>	<b>7,417,790</b>	<b>1,748,342</b>	<b>1,748,342</b>	<b>9,387,485</b>	<b>7,830,316</b>	<b>1,557,169</b>	<b>1,557,169</b>	<b>10,110,443</b>	<b>8,628,037</b>	<b>1,482,406</b>	<b>1,482,406</b>

Note

<sup>1</sup>For method of allocation, see Appendix A.



**Table 4.2 Summary of Differences re Comparison of Costs of Services Provided in Cambridge by the Region with Cambridge's Share of the Regional Levy**

	1976 Actual	1977 Actual	1978 Budget
	\$	\$	\$
Planning and Development	—	—	—
Roadways	129,413	226,700	(222,542)
Waste Management	68,726	2,766	66,252
Social Services	240,178	189,671	211,180
Day Care	26,658	28,782	34,772
Health Unit	15,843	15,602	17,960
Sunnyside Home	(34,592)	(39,056)	(43,911)
Children's Aid Society	14,393	14,688	15,473
Juvenile Offender Placement	1,865	1,231	1,203
Grand River Conservation	167,513	2,138	94,206
Waterloo Wellington Airport	4,502	4,360	4,335
Grants - Public Hospitals	230,846	250,252	211,316
Police	867,834	883,631	1,029,521
Others - Per List	—	—	—
Sewage Treatment	—	—	—
Water	15,163	(23,596)	62,641
<b>Total</b>	<b>1,748,342</b>	<b>1,557,569</b>	<b>1,482,406</b>

**Note**

Unbracketed figures indicate that Cambridge received an advantage.

Bracketed figures e.g., Roadways and Sunnyside Home - 1978 indicate that there was a non-advantage i.e., the amount levied for these services by the Region exceeded the estimated cost of these services.

## Grants

The change in provincial grants increases substantially the net cost to Cambridge if it were to secede. There are at least two and perhaps three or four areas in which Cambridge would receive lower levels of grant than at present. Based on 1978 households and populations the grant losses would be as follows.

**Police:** The Province pays a higher grant to regional municipalities with police forces than to cities. The reasons for this are: the takeover by the regions of Ontario Provincial Police costs formerly borne by the Province; the increased criminal intelligence capacity provided by regional forces, a service the Province finds useful; a recognition of the higher level of service provided generally by regional forces.

The difference in the police grants would have been \$5 per person or \$363,400 less to a seceded Cambridge in 1978.

**Unconditional Per Capita Grant:** Again in recognition of higher service levels and the takeover of some provincial services, the Province pays a higher per capita unconditional grant to municipalities in regions than to other municipalities. This amounted to \$142,288 over what Cambridge would have received in 1978 as a separated city.

**Health:** It is possible that in addition, Cambridge would lose up to \$258,000 in grants to the health unit because the Province pays a varying grant (75% to regions, 50% to smaller health units, 25% to single city units). Because Cambridge might be able to contract with a neighbouring municipality and thus keep this grant, **we have not deducted it**. However, if the rest of the Region chose not to contract with the newly separated city, it would lose the extra \$258,000 represented by the enriched health grant.

**Roads:** The Region at present qualifies for 91% assistance from the Province on some road expenditures. Whether Cambridge would also qualify is a matter for negotiation with the Province. **Again we have not deducted any grant money for this analysis; however, reduced revenue to Cambridge in this category could be significant in future years.**

**Table 4.3 Schedule Showing Total Effects on Cambridge Using Summary of Net Advantages and Differences in Per Capita Grants**

	1976 Actual	1977 Actual	1978 Budget
	\$	\$	\$
Net advantage received re services provided by the Region in Cambridge per summary	1,748,342	1,557,569	1,482,406
Difference in per capita grants because of being within a regional municipality			
General	138,131	140,371	142,288
Policing	140,164	357,410	363,400
<b>Total</b>	<b>2,026,637</b>	<b>2,055,350</b>	<b>1,988,094</b>

**Conclusion**

*Thus, combining the effects of grant loss and net service costs (Table 4.3), Cambridge had a net benefit from regional government of at least \$1,988,094 in 1978 and somewhat larger net benefits in 1976 and 1977. To these, a sum of at least \$258,000 and more probably \$500,000 might be added if health and road grants were negatively affected by secession. This amounts to between a \$28 and a \$35 per person (or between an \$87 and a \$110 per household) per year net benefit from the regional system.*

### **Would Cambridge Be Able to Provide the Same Level of Services for Less If It Were Not in the Region?**

The answer to this question lies in determining what the city's budget in 1978 would have been had the city been separate. For this analysis we required the assistance of city, regional and provincial staff. The assumptions and calculations that were necessary for this exercise are outlined in Appendix B.

Table 4.4 shows that secession by Cambridge on January 1, 1978 would have resulted in an increase in net expenditures of \$699,994 in that year. This is assuming that Cambridge would have provided services at a slightly lower level to its residents than the Region is now providing. The net effect on unconditional grants and miscellaneous revenues is a reduction in these revenues of \$211,980. Thus, if Cambridge had seceded, an additional amount of \$911,974 would have been added to Cambridge tax bills in 1978. It should also be noted that the increase does not necessarily mean as high a level of service. In some services (i.e. health) the services provided for on the following table are somewhat lower than those provided by the Region.

Our calculation of the 1978 mill rate on this basis (see Table 4.5) shows that the 1978 mill rates that would have been levied for general municipal purposes had Cambridge seceded would have been 6.4% higher in Cambridge than was actually levied for general municipal and regional purposes in that year.

**Table 4.4 Comparison of Net Expenditures, Unconditional Grants and Miscellaneous Revenues If Cambridge Had Seceded January 1, 1978 and Provided the Services Formerly Provided by the Region of Waterloo<sup>1</sup>**

NET EXPENDITURES			
	Estimated Net Cost of Services If Provided By Cambridge	Cambridge's Share of 1978 Levy By Region (23.183%)	Difference
	\$	\$	\$
Planning & Development	40,700	129,401	(88,701)
Roadways	783,626	1,098,320	(314,694)
Waste Management	281,274	257,223	24,051
Pollution Control	76,100	42,442	33,658
Social Services	655,666	448,454	207,212
Day Care	90,114	51,669	38,445
Health Unit <sup>2</sup>	416,664	119,956	296,708
Sunnyside Home	38,968	82,879	(43,911)
Children's Aid Society	153,344	119,295	34,049
Juvenile Offender Placement	13,333	9,273	4,060
Grand River Conservation Authority	463,416	3,680,010	95,406
Waterloo-Wellington Airport	18,321	19,067	(746)
Grants — Public Hospitals	459,517	248,201	211,316
Police	3,784,818	3,230,922	553,896
Other Costs — Finance Dept., Legal, Grants, Personnel, Tax Write - offs, Interest, etc.	424,000	774,755	(350,755)
<b>Total</b>	<b>7,699,861</b>	<b>6,999,867</b>	<b>699,994</b>
UNCONDITIONAL GRANTS AND MISCELLANEOUS REVENUES			
Per Capita Grant	1,311,312	1,817,000	505,688
Resource Equalization and Support Grant	600,000	259,650	(340,350)
Miscellaneous (Supplementary taxes, prior years surplus, share of telephone taxation, payments in lieu, etc.	1,031,173	1,077,815	46,642
<b>Total</b>	<b>2,942,485</b>	<b>3,154,465</b>	<b>211,980</b>
Additional amount to be levied if Cambridge provides services			911,974

Note

<sup>1</sup>For Basis of Allocation, See Appendix B.

<sup>2</sup>This figure does not include any costs for the following services now being provided by the Region: nutritionist, special treatment clinic, family planning clinic and health education.

**Table 4.5 Comparison of Mill Rates For All Purposes Except Schools and Special Area Levies Between Actual 1978 and Recalculated 1978 If Cambridge Had Seceded January 1, 1978**

	Residential Mill Rates				Commercial Mill Rates			
	1978 Actual	1978 Recalculated	Increase Amount	%	1978 Actual	1978 Recalculated	Increase Amount	%
Galt	100.73	107.13	6.40	6.4	94.60	100.61	6.01	6.4
Hespeler	23.74	25.24	1.50	6.3	33.21	35.32	2.11	6.4
Preston — Urban	23.72	25.23	1.51	6.4	29.05	30.90	1.85	6.4
— Non Urban	23.72	25.23	1.51	6.4	29.05	30.90	1.85	6.4
North Dumfries — Urban	134.94	143.51	8.57	6.4	265.79	282.68	16.89	6.4
— Non Urban	134.94	143.51	8.57	6.4	265.79	282.68	16.89	6.4
Waterloo — Urban	157.04	167.02	9.98	6.4	0	0	0	0
— Non Urban	157.04	167.02	9.98	6.4	135.40	144.00	8.60	6.4



Sewage treatment and water supply and distribution have been treated separately as generally they do not affect the mill rates. It has been estimated that there would be no change in the direct costs of sewage treatment as in 1978 these were billed to Cambridge at cost by the Region. However, with the introduction of the uniform Region-wide sewage treatment wholesale rate in late 1978, Cambridge's rate in 1979 and subsequent years will increase. In comparing the estimated costs of water supply with Cambridge's 1978 estimated sales (see Table 4.6), it was found that if Cambridge seceded, the wholesale rates would have increased by 3%. This, however, could fluctuate from year to year depending on the amount of capital expenditures financed out of revenue.

**Table 4.6 Comparison of Expenditures for Sewage Treatment and Water Supply If Cambridge Had Seceded January 1, 1978 and Taken Over These Functions**

	Estimated Costs If Provided Directly By Cambridge	Cambridge's Share of Region's 1978 Expenditures	Difference	
			Amount	%
	\$	\$	\$	
Sewage Treatment	783,815	783,815		
Water Supply	870,007	844,355	25,652	3.0

Regional lot levies were also examined. Table 4.7 shows that those received by the Region in respect to Cambridge amounted to \$115,071 in 1978. Cambridge's benefit on the other hand from the total lot levies received by the Region was \$269,536. There was an advantage therefore of \$154,465. Figures for 1977 however show a net disadvantage of \$22,952. These figures will fluctuate from year to year.

**Table 4.7 Comparison Between Cambridge's Share of Regional Lot Levies and Those Actually Received from Properties in Cambridge**

	1978	1977
Total Levies Collected	\$1,162,645	\$ 144,307
Cambridge's Share – %	23.183	23.182
– Amount	\$269,536	\$33,453
Lot Levies Collected from Cambridge Properties	\$115,071	\$56,405
Advantage – (Non-Advantage)	\$154,465	\$(22,952)

### Conclusion

*Based on the preceding analysis we conclude that Cambridge could not operate the city for less than the cost of the present system. Further, not only would taxes and water rates increase somewhat, but in at least three services the level of service would be lower:*

- *Health: Elimination of services of nutritionist, special treatment clinic, family planning clinic and health educator.*
- *Police and Fire: Possible loss of '911' service.*
- *Financing: Loss of Region's broader borrowing base and probable better interest rates on debentures.*

### What Would the Financial Effects Be on the Rest of the Region If Cambridge Seceded?

To answer this question it was necessary to examine the budget of the Regional Municipality in the light of a reduction of almost one-quarter of its revenues and of a similar but not identical reduction in its costs. The difference between these two figures would be the projected financial benefit or cost to the rest of the Region of the secession of Cambridge.

For each service, effects on fixed costs, variable costs, grants and other revenue had to be analysed. Appendix C outlines the basis upon which the reductions were calculated and shows the details of the calculations.

Table 4.8 summarizes the net effect on the Region's revenue and expenditures as we projected them. Costs, we project, would be reduced by about \$4,200,000 while revenue would be reduced by \$4,600,000. Thus, in 1978 it would have cost the remaining

municipalities about \$400,000 more to operate the Regional Municipality with Cambridge out than it actually cost them that year.

Table 4.9 shows the effect this increase would have on the Regional tax levy in each municipality. Kitchener, Waterloo and North Dumfries would face increases of 2.5%, Wilmot and Woolwich 2.6%, and Wellesley 2.8%.

**Table 4.8 Summary of Estimated Effects on 1978 Regional Budget If Cambridge Had Seceded January 1, 1978**

	1978 Regional Budget	Estimated Budget Reduction	Net Balance
	\$	\$	\$
Estimated effect on net expenditures	30,194,627	6,529,333	23,665,294
Estimated effect on miscellaneous revenues and per capita grants	10,168,550	2,347,670	7,820,880
<b>Sub-total</b>	<b>20,026,077</b>	<b>4,181,663</b>	<b>15,844,414</b>
Amount to be levied on townships only for library purposes	185,086	—	185,086
<b>Total amount levied</b>	<b>20,211,163</b>	<b>4,181,663</b>	<b>16,029,500</b>

**Table 4.9 Comparison Between the Actual 1978 Regional Levy and that Levy Recalculated as If Cambridge Had Seceded January 1, 1978**

	Net Requisition		Increase	
	Actual 1978	Recalculated 1978	Amount	%
	\$	\$	\$	
Cambridge	4,586,058	—	(4,586,058)	
Kitchener	9,157,202	9,395,427	238,225	2.5
Waterloo	3,849,321	3,947,113	97,792	2.5
North Dumfries	383,562	393,170	9,608	2.5
Wellesley	346,147	355,933	9,786	2.8
Wilmot	700,770	719,279	18,509	2.6
Woolwich	1,188,103	1,218,578	30,475	2.6
<b>Total</b>	<b>20,211,163</b>	<b>16,029,500</b>	<b>(4,181,663)</b>	

## Summary of Financial Factors

- In 1978 Cambridge received about one and one-half million dollars more in services from the Region than it paid to it in taxes.
- Added to this is the higher grant rate Cambridge received as a part of the Region. As a minimum, this amounted to half a million dollars; depending on provincial and regional decisions, it may have been at least half a million dollars more than that.
- If Cambridge had been a separate city in 1978, it would have faced a minimum of a 6.4% higher property tax rate than it actually experienced as part of the Region and would have received slightly fewer services.
- If Cambridge had separated from the Region in 1978, the rest of the Region would have experienced a cost **increase** of approximately \$400,000.

These four conclusions have persuaded us that both Cambridge, and the remaining municipalities would suffer financially by Cambridge's separation from the Region and that for at least the next five years Cambridge would be a net beneficiary as part of the Region. It is possible that a separated Cambridge would cut back its services to keep taxes down. However, since one of the reasons advanced by many for wanting to leave the Region is to save money and improve services, this seems to us to be an unrealistic hope.

## Functional Factors

In Cambridge there is some unhappiness with the Region's role in the provision of road, planning, police and water services. We examined the difficulties with these services and the degree to which a seceded Cambridge could solve them.

### Roads

There are essentially four points that upset the Cambridge council and public about roads.

The first is that the way roads are presently administered, Cambridge cannot use the roads grants it receives from the Province to carry out construction work on regional roads. The Province has taken the position that it will pay subsidies on regional roads to the Region and on local roads to the local municipality. This stance, however, is detrimental to the Cambridge desire to have its major roads upgraded and repaired. Since the Region has decided to spend only as much money on roads as is necessary to get the maximum provincial road subsidy, it cannot rebuild all the regional roads in Cambridge as fast as the city would wish. To do this the City has expressed a willingness to spend some of its roads budget on roads under the Region's jurisdiction. This generous and sensible solution, however, founders on the Province's unwillingness to allow Cambridge's subsidy to be spent on regional roads.

The Commission fully agrees with the City of Cambridge that the present road subsidy system and the artificial division of road subsidies for regional and local roads is dysfunctional. That this system should be changed is agreed. We believe our recommendations on road construction and maintenance would allow this vexing problem to be overcome with a minimum of dislocation (see Chapter Nine).

The second complaint that the city levels against the present road system is that the Region does not repair and rebuild regional roads which are deficient fast enough, and if Cambridge was responsible for their reconstruction, they would be done by now. The *Roads and Transportation Services in Waterloo* monograph found several problems with this argument. Historically, except for the roads that used to be provincial highways and county roads, the former municipalities of Galt, Preston and Hespeler were responsible for what are now regional roads. Most of the roads which are now



deficient and require the Region to repair them were handed over to the Region in 1975 in that state. The former municipalities of Cambridge in fact brought more deficient miles of road into the regional system than most other municipalities. Every year since the Region took them over until 1978, it has spent a higher proportion of funds on Cambridge's roads than Cambridge has contributed for road purposes.

There is a second problem with this argument. City roads were not transferred to the Region until May of 1975, well over two years after the Region came into existence. During that time Cambridge received subsidy for construction work on the roads that later became regional, yet during the two years those roads were under the city's jurisdiction, it spent less money per year on them than the Region spent per year in the three years it has had jurisdiction over them.

A third indication that the city might not have repaired the major roads in the city if they had been under its jurisdiction any more quickly than did the Region is the data on deficiencies on roads for which it is responsible. Although only 15.3% of Cambridge's local roads are now classed as deficient, the ones that are deficient carry 47.3% of the traffic on the city's own roads. In other words, the roads that are in the worst shape of those that are under the jurisdiction of the City of Cambridge are those that carry the most traffic. In the case of regional roads, the percentage of deficient roads is far higher (46.9%) but the amount of traffic they carry is almost the same (51.2%). This indicates that the Region's minor roads tend to be deficient and its major roads in good repair. The reverse is true for the city. Furthermore, since 1975 Cambridge has continued to receive subsidies almost at a rate such as would have been paid were it still responsible for all the roads in the city. Even so, it has not repaired some of its major local roads.

In summary, the Region has not moved more slowly than the city in repairing major roads in Cambridge.

The third area of concern we have heard about roads in Cambridge is a complaint common to all three cities in the Region. At the moment, the cities maintain all roads – local and regional – within their boundaries (except for a few outlying roads). The Region simply pays the bills for maintenance done on regional roads. This is a sensible arrangement because it does not require a duplication of crews and it allows for economies of scale in the city crews.

However, it does lead to problems. The cities quite naturally believe they are capable of maintaining a road without having anyone looking over their shoulders. The Region equally naturally wants to ensure that the cities are providing a level of service commensurate with the amount they bill the Region. The Region has some cause for concern because the bills from the cities have increased dramatically recently. Thus, we have a situation in which the Region wants tighter control over the cities' regional road expenditures and the cities do not want to submit to tighter control.

Again, we believe our recommendations on road maintenance and construction will solve this problem.

The fourth area of complaint raised by some Cambridge councillors is that the Region has decided to develop the regional roads in Cambridge in a manner different from the wishes of Cambridge. Anyone who has watched or listened to the regional debates on road construction plans for Cambridge would share that impression.

There have been four areas of dispute on this point: (a) the east and/or west bypass; (b) the east-west cross-town arterial; (c) the Concession Street bridge; and (d) the Delta.

### The Bypass

Some former councillors in Cambridge were widely and frequently quoted on the matter of the Cambridge bypass. Their remarks suggested that the Regional Council has changed plans desired by the city and proposed an entirely new route for the bypass. They indicated that an east-side route for the bypass has always been desired by Cambridge council and that the Region was advocating a west-side route. In fact, plans for a west-side bypass have existed since well prior to regional government and were part of the road planning of the City of Galt. Further, on November 4, 1974, the council of the City of Cambridge passed a resolution endorsing the west-side bypass and advised the Region of its agreement.

### The Cross-Town Arterial

Again, the impression one would gain from having followed this issue is that regional planners had thought up this road and forced it upon the city. Again, the City of Cambridge has been discussing the cross-town for years and several representatives from Cambridge

have been advocating its construction for some time.

It may be that the opinion of the local council on this subject has changed, in which case a request for reconsideration from Cambridge might be reasonable. However, the suggestion that the Region has been acting unfairly on this question is hardly valid.

### The Concession Street Bridge

One Cambridge councillor raised serious questions about the demolition of the Concession Street Bridge in Cambridge. Basically, he said that the bridge was perfectly good and did not have to be replaced. Further, he apparently believed that the City of Galt had not planned to demolish the bridge. He also was reputed to have suggested that there was engineering incompetence in the actual destruction of the bridge. These accusations received wide coverage regionally and indeed nationally. The facts of the case did not. They are included here.

- In May of 1975 the Region took over responsibility for the bridge at which time the City of Cambridge, whose predecessor Galt had frequently repaired the bridge, notified the Region that replacement of the bridge was the highest priority item of that council.
- The City of Galt had done no studies on the soundness of the bridge during the years for which it was responsible for it.
- The Region conducted such a study and found longitudinal cracking near the sides of the bridge. The bridge was reduced in width at that point to prevent traffic from crossing on the weak areas.
- The Grand River Conservation Authority commissioned a study which showed that the bridge allowed so little water under it, that it was a cause of flooding when the river was swollen.
- The old bridge would have served only until 1977-78, by which time traffic over it would have exceeded its capacity.
- A City of Galt study plus a Highway 8 bypass study recommended replacement of the bridge with a four-lane bridge.
- On December 16, 1976 the tender for destroying the old bridge and building a new one was let by the Region.
- Because the contractor's insurance company restricted the quantity of explosives used to destroy the bridge, further

demolition was required following the blasting of the bridge.

### The Delta

The intersection of Highway 24 and Highway 8, known as the Delta, is a traffic bottleneck. One of the major complaints we have heard is that the Region has failed to do anything about this problem. As of February 1979 the Region was well into the first phase of the design of a new intersection. At that time the Regional Engineering Committee was faced with opponents to the change and is now evaluating the problem raised. Interestingly enough, the intersection has been a problem for at least two decades during which the City of Galt and the Province shared responsibility for seventeen years. The Region has been responsible for the Delta for three years and is the first body to take action on it.

### Planning

In the city's brief to this Commisison, it put forward a cogent case that the Region was too involved in the detail of development control. The brief argued for a major reduction in regional planning powers.

On this point we again concur with the City of Cambridge. The planning process is indeed too complex, and too many regional/local interactions are required. In Chapter Eleven we have suggested some changes in the process to make it less complex for the resident, and to reduce day-to-day regional involvement in local matters.

In its brief the City of Cambridge acknowledged the need for some co-operative planning. It recognized the potential for intermunicipal conflict over connecting roads, landfill, environmental features, agricultural land and major commercial and industrial attractions. It suggested a combination of joint planning and provincial controls to cope with these problems. These are the mechanisms which were in place prior to the introduction of regional government. It was that system which allowed Fairview Mall to be constructed where it is and on the scale it is, thus reducing business in the downtowns of Galt, Preston, Hespeler, Waterloo and Kitchener. By contrast, when the present system faced a similar proposal for a huge mall on the northern border of Waterloo, it reduced it to a size that would not pose a threat to Elmira and Waterloo downtowns.



It was the old planning system that allowed highway commercial development along Highway 8 in Kitchener, causing an eventual relocation of the highway at huge costs – not once but twice. It was the system of county planning boards combined with provincial controls which resulted in leapfrog urban growth. This in turn led to fifty annexations in twenty-five years. In short, the old system of joint planning was akin to no planning.

There are two aspects of the planning proposals in the city's brief we find difficult to accept. The first is that joint planning will work. The second is that the Province should have greater control in the planning field. Subject to provincial and regional guidelines, it is the area municipalities that can most effectively control development and determine a planning program. The present system has vastly reduced planning approval time (see Chapter Two). Further, a local planning mechanism is required which can prevent a municipality from damaging its neighbours. A few years ago the communities now in Cambridge shared this view. It is worth quoting in this context the submissions of several local organizations and municipalities to the Fyfe Review Commission and to the Province in response to Dr. Fyfe's proposals.

**From a Submission to The Local Government Review Commission by the Waterloo County Area Planning Board, November 16, 1967, (pg. iv)**

"All metropolitan or regional governments should be given the authority to approve, subject to signature by the Minister of Municipal Affairs where now necessary, and subject to the right of appeal to the previously recommended Regional Municipal Boards in matters where appeal may now be made to the OMB

- a) All plans of subdivision
- b) All zoning bylaws and amendments thereto
- c) All Committee of Adjustment applications"

**From a Report of the Planning & Physical Services Committee of the Waterloo Area Review Committee, November 1967, (pg. 9)**

"The preparation of a Regional Official Plan would require that the regional municipality would be designated as a planning area under the Planning Act with each of the area municipalities preparing their (sic) own official plan within the framework of the Regional Plan."



**From a Submission of the City of Galt to the Waterloo Area Local Government Review, November 1967, (pp. 3, 7, 8)**

"After careful and extensive consideration of alternatives, the City of Galt recommends the dissolution of the present system of County Government and the creation, in its stead, of a Regional Government as part of a two-tier system of local government . . . As we are well aware, urban growth pays little heed to arbitrary municipal boundaries, the need for planning is magnified and joint planning ventures are essential; i.e. Regional Planning. There is unquestionably an urgent need in this early phase of our regional growth for firm regional policies to guide new development."

**From a Submission on Local Government Reform in the Waterloo Area To The Honourable W. Darcy McKeough, From the Local Government Review Committee of Kitchener, Galt, Waterloo and the County of Waterloo, 1970.**

"The majority of members of this committee indicated that they strongly favour a two tier form of regional government for and replacing the County of Waterloo . . . Planning should be a major function of the regional government. Each municipality would continue, if desired, to have a planning board or planning committee of council to look after planning matters of a local nature. Regional planning would have increased responsibilities for co-ordination and approvals."

**From A Submisison to The Waterloo Area Local Government Review Commission, from the Hespeler Planning Board, November 1967 (page 2)**

"That implementation and enforcement of regional plans and policies can only be accomplished through the creation of a regional political authority. The Planning Board . . . concludes that a two-tier form of Metropolitan Government with the retention of local municipal government, would best serve the needs of the Area at this time."

The experience in this area since 1973 has convinced us of the wisdom of these views held by community leaders a decade ago.

## Police

Several councillors of the City of Cambridge and a few residents tell us that the quality of police in the downtown area of the city has deteriorated. They believe the Galt police station should be open twenty-four hours per day and that there should be more foot patrol policemen on the beat in the downtown areas of the city.

We are in no position to dispute or agree with this concern. We have read the Ontario Police Commission (O.P.C.) study entitled *A Review of Regionalized Policing in Ontario* which tells us that police forces in the regions are better equipped, more able and less expensive than the former city forces. We have the results of an opinion poll which show that residents in all parts of Cambridge (and the rest of the Region) are very pleased with their police force and rate it as the best of the services provided by local government. Yet, even with this high satisfaction level, we note from the O.P.C. study that regional police forces cost 20.1% less per capita than city forces.

All of this suggests that there is no strong case to make against the quality of policing in this Region. Nonetheless, it is true that the city is not receiving the type of policing many believe it says it would provide itself. There are, however, a number of mitigating factors to this position. First, we are told that the deployment of policemen in cruisers instead of a large number of foot patrol officers is far more cost effective and provides a better level of service. Police professionals assure us that the trend away from the "beat cop" is universal and, as unfortunate as it may be, cost realities make it highly unlikely that any municipality will be able to reverse that trend.

Second, even if Cambridge did secede and there was a local police commission instead of a regional one, there is no assurance that city council would be any more successful in persuading a local commission to change its style of policing than it has been with the regional commission. In both cases municipal appointees are in the minority. Elsewhere in this report we recommend that this situation be changed; however, for the time being, a police commission, whether regional or local, will not be subject to council control.

## Water Supply

One of the reasons regional government united Cambridge with Kitchener, Waterloo, and the rural area was for the purposes of

undertaking, operating, and sharing the costs of water supply projects. An argument has been made that this change caused an avoidable hike in Cambridge water rates.

There can be no argument that water rates, particularly in Galt, did jump. In 1972 the residential water rates in effect were 27.2¢, 40¢ and 54¢ per 1000 gallons in Galt, Preston and Hespeler respectively. In 1973 the rate was 44.8¢ for the whole city – 15¢ of which was for the regional water supply, and nearly 30¢ for distribution by the city. Galt rates had risen 17.6¢ per 1000 gallon and Preston rates rose 4.8¢, while Hespeler rates fell more than 9¢. Galt rates would have increased by 5¢ per 1000 gallons merely to make the 1972 rates uniform throughout Galt, Preston and Hespeler. The remaining Galt increase of 12.6¢ per 1000 gallons was accounted for by the increased cost of the Cambridge distribution system and by the shifts associated with making the wholesale cost of water supply uniform throughout the Region. From 1972-73, water rates remained constant in Kitchener, Waterloo, and New Hamburg, while dropping slightly in Elmira. Because of increasing costs, these municipalities would presumably have experienced a slight increase in rates. Therefore, part of the water cost increase to Galt was in effect spread as a minor subsidy to the rest of the Region.

By 1976 the cost of water to Cambridge residents had risen to 56.3¢ per 1000 gallons, of which 20¢ was the regional charge for water supply. At the end of 1978, the Cambridge rate was 62.7¢ per 1000 gallons of which 27¢ represents the wholesale cost.

The average Cambridge residential water rate in 1973-78 period has been approximately 55¢ per 1000 gallons of which the wholesale rate has averaged 20¢ over the six year period.

During that period, however, the Regional Municipality incurred \$5,200,000 of expenditure on the Cambridge water supply system, or 28¢ per 1000 gallons pumped in Cambridge. Therefore, after six years of being in the regional water supply system, Hespeler has benefited by 8¢ per 1000 gallons (in addition to the redistribution of costs within the city), Preston has benefited by 7¢ per 1000 gallons, while Galt's water cost has had a net increase of 6.5¢ in favour of the rest of the Region.

Since regional government, Cambridge's water system has received a significant proportion of the capital improvements undertaken by the Regional Municipality. Table 4.11 shows the location of the Region's water supply system capital expenditures.

Proportionally, Cambridge has received a net benefit as the Region updated, integrated, and sought more groundwater for the Cambridge water supply system.

Using the approved capital forecast for the 1979-83 period inclusive, we see that the previous benefit to Cambridge at the expense of Kitchener-Waterloo water users will be reversed. Expensive improvements will continue to be made in Cambridge, but the introduction of an artificially recharged groundwater system in Kitchener will require proportionately greater expenditures. When the two periods are taken together, the net "loss" on water supply capital expenditures will have been no more than 0.6¢ per 1000 gallons to Cambridge users.

**Table 4.10 1973-78 Summary of Costs – Water Supply**

	Kitchener- Waterloo	Cambridge
Operation & Maintenance	\$ 3,668,784	\$ 1,779,675
Debt Retirement	\$ 595,158	\$ 531,426
Capital Expenditure	\$ 3,207,554	\$ 2,528,886
Administration (pro-rated in accordance with pumpage)	\$ 591,389	\$ 358,481
Total	\$ 8,062,885	\$ 5,198,467
% of Total	60.8	39.2
Pumpage (1,000 gallons)	38,250,391	18,576,132
% Total	67.3	32.7
Cost per 1,000 gallons 1973-78	21.1¢	28.0¢
Average Wholesale Water Rate per 1,000 gallons 1973-78	20.0¢	20.0¢

**Table 4.11 Capital Expenditures – Water Supply**

	Kitchener- Waterloo	Cambridge	Urban Total
1973-78 inclusive	\$ 3,207,554	\$ 2,528,886	\$ 5,736,430
% of urban total	55.9	44.1	100.0
Pumpage (1,000 gal.)	38,250,391	18,576,132	56,826,523
% of urban total	67.3	32.7	100.0
Net Benefit or Loss	(\$653,063)	\$653,063	—
(actual expenditures compared to a redistribution of expenditures in proportion to pumpage)			
Net Benefit/Loss per 1,000 gal.	(1.7¢)	3.5¢	—

**Approved Capital Expenditure Forecast**

1979-83 inclusive	\$10,074,000	\$ 3,578,000	\$13,652,000
% of urban total	73.8	26.2	100.0
Pumpage (estimated) (1,000 gallons)	40,000,000	20,000,000	60,000,000
% of urban total	67	33	100
Net Benefit/Loss	\$884,839	(\$884,839)	—
Net Benefit/Loss per 1,000 gal.	2.2¢	(4.4¢)	—
1973-83 Expenditure Total	\$13,281,554	\$ 6,106,886	\$19,388,440
% of total	68.5	31.5	
Net Benefit/Loss	\$232,660	(\$232,660)	
Net Benefit/Loss per 1,000 gal.	0.3¢	(0.6¢)	



There is a tendency to compare the costs of water supply and water rates in the present with those in the past. Any such comparison is fraught with dangers. The quality of service now exceeds that which preceded regional government. It has had to serve the city's growth, integrate its three parts, guarantee increasing industrial water needs, increase water pressure in Preston and Hespeler, and install emergency supply measures. Many of the projects which the Region undertook had been identified by the former Galt, Preston, and Hespeler utilities in 1970 (see *Report on the Feasibility of Integrating Water Systems for the Tri-Utility Association*, by James F. Maclaren Ltd. 1970).

Other of the improvements which have been and will in the future be acted upon derive from a 1975 study done jointly for the Cities of Cambridge, Kitchener, and Waterloo, and the Regional Municipality. That study, since updated, was adopted by both the Cambridge and Regional Councils as the basis for water system capital planning.

## Summary of Functional Factors

### Roads

- The present road subsidy system does alter road priorities in the cities. We have recommended a change to these subsidies to overcome this problem (see Chapter Nine).
- The Region's rate of reconstructing major roads in Cambridge is proportionately more rapid than the city's own rate even though the city has a far smaller proportion of major roads in its system. Further, most of the roads which are now deficient were deficient in 1975 when they were given to the Region.
- The present road maintenance contract system is inappropriate and should be changed. We have recommended this in Chapter Nine.
- Many of the conflicts between Cambridge and the Region over road construction priorities are more apparent than real. In most cases where it has been suggested that the Region is violating Cambridge's wishes, the local municipality has expressed a desire for the action being taken by the Region. Nonetheless, potential for conflict does exist.

### Planning

- There is too much duplication in planning between the two tiers of



local government and we have recommended changes (see Chapter Eleven).

- We agree with the City of Cambridge's brief that some kind of upper-tier planning is required.
- It is our view that joint planning combined with provincial controls is not the answer to planning problems. First, approvals will take longer; and second, the system will not be effective.
- Many local leaders agreed with this view a decade ago. Perhaps time has led us to forget some of the difficulties that led to those views.

#### Police

- Some Cambridge people want a different type of downtown policing involving more foot patrols.
- This is a more expensive and we are told less effective way to police. Furthermore, a seceded Cambridge would not be in a stronger position to develop that type of policing.

#### Water

- Of the previous three municipalities now in Cambridge, Hespeler has benefited dramatically from both the amalgamation and from the common regional water rate, Preston has benefited and Galt has lost somewhat in terms of water rates.
- During the 1973-1978 period the City of Cambridge has received considerably more in regional investment in its water system than it has contributed in water rates.
- In the 1979-1983 period the city will receive less in regional investment in its water system than it will pay in water rates.
- Over the full 1973 to 1983 period the "loss" to Cambridge on capital expenditure will have amounted to 0.6¢ per 1000 gallons of water supplied by the Region.
- The capital improvements to the Cambridge water system by the Region are primarily those which had been identified in a 1970 study of the area's water supply by the local utilities commissions and in a joint Region/city study of water supply and distribution in 1975.

## Quality of Government Factors

If the City of Cambridge seceded from the Region and operated as a city on its own, it is often argued that it would have a superior system of government. Accountability would be improved because all decisions now split between two councils would be focused on a single, more directly accountable council. Accessibility would improve because trips to the Marsland Centre (regional headquarters) would not be required. The city's priority-setting ability would improve because it would have control over a wider range of functions.

To some extent all of these benefits would accrue to a separated Cambridge. However, there are three factors which would limit any gain in this area for the city: greater provincial control, more special purpose bodies, and perhaps an artificial urban-rural split.

### Greater Provincial Control

Elsewhere in this report we advocate that the Province leave to local government those things that can be handled locally. Under the present system several activities now performed by the Region were formerly provincial responsibilities (largely in the planning, police and roads fields). In its brief to us the Cambridge council said, "It is primarily the responsibility of the Province and its many ministries to see that inter-municipal problems are solved under appropriate policies."

We agree with this approach only insofar as some problems affect such a wide area that provincial policy and controls are needed. It is clearly preferable for neighbouring municipalities to form a federation and remove, where possible, the requirement to depend on the Province to solve their problems. We would argue strongly that a principle of local control of local problems is vital to good local government (see Chapter Twelve for details of this principle).

Secondly, to suggest that Queen's Park is more in touch with the community than Regional Council which has five Cambridge councillors on it, is to suggest that either the Cambridge representatives are ineffective or the other members of Regional Council deliberately refuse to listen. The first implication does an injustice to five capable people and the second is inaccurate and perverse.

## More Special Purpose Bodies

In several previous points we have referred to the danger of creating joint special purpose bodies to provide services which cannot be provided by a single municipality. There are several in the present system which this Commission argues should be dissolved or brought under Regional Council control. If there were no Region or if Cambridge were not part of it, several joint special purpose bodies with requisition powers over local government would almost certainly have to be re-created and the existing ones would stay as they are. A few of the authorities which would have to be created under existing law if Cambridge seceded are:

**Suburban Roads Commissions** – Cities not in county or regional governments must by law contribute to rural roads through these bodies. They are cumbersome, divisive, expensive, and bodies over which cities have very limited control.

**Board of Health** – Waterloo is one of three areas of the Province where the Provincial Government allowed the board of health to be dissolved. If Cambridge seceded from the Region, there would be one of two possible results. Either Cambridge would have to rejoin the rest of the Region in a new board of health, or its health subsidy would drop from 75% to 25%. It is extremely unlikely that the rest of the Region would willingly re-introduce a board of health; therefore, Cambridge would have to join Oxford's, or Hamilton-Wentworth's, or lose its subsidy.

**Home for the Aged Board** – With the creation of the Region the three cities rejoined their rural neighbours and this special purpose body was dissolved. The home now functions directly under Regional Council. Presumably a board would have to be re-created if any of the cities pulled out of the Region.

## Local Control

The following chart clearly outlines the difference between the powers of a local council separate from a region, i.e. Galt prior to 1973, and the present City of Cambridge's powers. As can be seen, the councils of the City of Galt and the Towns of Hespeler and Preston exercised control over fewer functions in 1972 than in 1976 (13 to 15). Not only are there now more functions under local council's control, many of the new ones are among the most important council functions, i.e. water, planning, transit. Despite the city entering the

Region, local council actually exerts more control over the services that are vital to the community's development now than it did in 1972.

**Table 4.12 Comparative Powers of Local Councils**

Function	Body Responsible Prior to 1973	Body Responsible Within a Region
Fire Protection	Local Council	Local Council
Police Protection	Police Commission (local)	Police Commission (regional)
Protective Inspections	Local Council	Local Council
Urban Transit	Public Utility Commission	Local Council
Local Roads	Local Council	Local Council
Arterial Roads	Province, Local Council, County & Suburban Road Commission	Regional Council
Sidewalks	Local Council	Local Council
Street Lighting	Local Council, Public Utility Commission	Local Council
Water Supply	Public Utility Commission/ Water Commission	Regional Council
Water Distribution	Public Utility Commission/ Water Commission	Local Council
Sewage Treatment	Province	Province/Regional Council
Sewage Collection	Local Council	Local Council
Garbage Collection	Local Council	Local Council
Garbage Disposal	Local Council	Regional Council
Public Health	Joint Board of Health (County)	Regional Council
Social Services	Local Council	Regional Council
Home for the Aged	Joint Board of Management (County)	Regional Council
Recreation	Recreation Committees/ Local Council	Local Council
Libraries	Local Library Board/ County Library Board	Local Library Board/ Regional Council
Parks	Local Council/ Parks Boards/ Public Utility Commission	Local Council
Broad Planning	Joint Planning Board (County)	Regional Council
Town Planning	Planning Board (local)	Local Council
Subdivision Plan Approval	Province	Regional Council
Industrial Development	Local Council	Local Council
Zoning	Local Council/ Ontario Municipal Board	Local Council/Ontario Municipal Board
Land Severance	Committees of Adjustment (local)	Land Division Committee (regional)

## Urban-Rural Separation

There is some doubt about whether North Dumfries could or should join with Cambridge in secession from the Region. The council of that township has clearly and firmly opposed any such marriage with Cambridge. In the event that the township's wishes were respected, a major problem arises. The separation of an urban area from its surrounding rural communities invariably leads to problems for both, but largely for the city. As soon as a city is no longer in a federation with its rural neighbours, two factors come into play. First, since the city is no longer sharing its assessment with the rural area, it becomes much more attractive to that area to attract growth from the city. Shopping plazas, small industries and highway commercial development seem to be particularly easy to attract to the cheaper land, lower taxes, slacker controls and open business hours. One need only look around Ontario to see the evidence of this kind of situation. There are a large number of downtowns of cities in this Province weakened or even destroyed by these township "highway commercial" strips.

There is a second factor that contributes to this draining of vitality from the city. Upon withdrawal from the county (Region in this case), the city loses its ability to participate in the planning process that can control the situation. It is reduced to the expensive and frustrating route of annexation battles and appeals to the Ontario Municipal Board.

There is dramatic illustration of the difference the existence of regional government has made for those cities within them. There are twenty-three cities (including boroughs) within the regional municipalities of Ontario. There are twenty-two cities outside of regions. There have been no contested annexations involving any municipality in any region since the regions were established. Since that time municipalities outside regions have filed for annexation on two hundred occasions. Over a third of these were contested and therefore expensive. The notorious and unresolved Barrie annexation application is the most dramatic of these.

This situation led to sixteen<sup>1</sup> of the urban municipalities of the Province banding together to demand that the Provincial Government

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<sup>1</sup>They were Barrie, Brantford, Brockville, Chatham, Cobourg, Cornwall, Grand Bend, Guelph, Kingston, Owen Sound, Pembroke, Peterborough, Sarnia, St. Thomas, Tillsonburg, Woodstock.



assist in finding a better way to deal with the problem. The brief the cities submitted to Premier Davis had a somewhat desperate note to it. The message was basically that the cities were being strangled. Of this group, none were from regions. Cities in regions do not have this problem.

### **Summary of Quality of Government Factors**

- To some extent a seceded Cambridge would have a more accountable, accessible and locally controlled system. Several factors more than offset these gains however.
- The Province would become more involved in what are now municipal problems.
- More intermunicipal special purpose bodies would be created for Cambridge, i.e., Suburban Roads Commissions, Board of Health, Home for the Aged, and existing ones would not be disbanded.
- The separation of urban and rural areas would re-create many annexation problems such as those plaguing municipalities not in regions.

## Public Opinion Factors

In a democracy there is no more convincing argument that something should be done than "the people want it." The people in Cambridge have indicated that they wish to secede from the Region. How can we explain this vote in the light of the preceding discussion? Perhaps the easiest way to explain it is that no one up until now has had much idea of the ramifications of secession. If Cambridge residents believed that secession would cost them money, would not necessarily solve their complaints regarding municipal services, and would give them little more local control over their government, would they still have voted for secession?

Let us examine briefly what it was that the Cambridge voter was saying on November 13. Since we have been "picking people's brains" throughout the Region in rather large numbers over the last year or so, we believe we can say with some authority what the issues were.

The principal factors were:

1. A belief that secession would save money.
2. A strong belief that there was too much government and getting rid of one level was appealing.
3. A realization that property taxes were climbing steadily and a belief that "the Region in Kitchener" was responsible for it.
4. A conviction that "the north" or "Kitchener" was running the Region and voting en bloc against Cambridge's wishes, while Cambridge was picking up more than its share of regional costs.
5. A belief that Cambridge was big enough to run its own show.
6. A strong impression that almost every action of their city council had to be approved by the Region, and that, on a great many matters, what the city wanted to do on purely local issues was frustrated by the Region.

That most of these beliefs are incorrect will be apparent to anyone who has followed the research of this Commission. Taking each one briefly:

1. Secession will cost the average Cambridge taxpayer at least 6% more than he is now paying and that entails slight decreases in service in the public health field.
2. Separation would not eliminate a level of government. Instead of a single, multi-purpose, regional government we would be back to the many joint special purpose bodies discussed earlier. Secondly;

every function the Region performs has to be performed by somebody. There is no evidence to suggest that either the Province or the city could do it better. (In fact in fields such as police, health, social services and landfill the Region is apparently superior to either level.)

3. The Region was responsible for a total of 12.9% of the increases in Cambridge's property taxes between 1973 and 1976. The city on the other hand was responsible for 31.0% and the school boards 44.8%. Other special purpose bodies over which neither the regional nor local councils have control caused the remaining 11.3% of the increase (Police Commission, Conservation Authority, Children's Aid Society).
4. There have been few recorded cases of Kitchener and Cambridge representatives to the Regional Council voting en bloc against each other. Of the seventy-three recorded votes since 1973, representatives of the two cities were aligned against each other on only nine<sup>2</sup> occasions. There were only three other cases where some block voting was in evidence but in those cases Kitchener and Cambridge voted the same way.

The instances of recorded Cambridge and Kitchener conflicts were:

- 1973 — None
- 1974 — June 27: Kitchener voted against the rest of the Region (and lost) that the regional Chief Administrative Officer be compelled to attend a meeting about administrative procedures with senior Kitchener staff.
- 1975 — None
- 1976 — January 29: Kitchener voted against the rest of the Region (and lost) that a certain delegation be heard by Regional Council.
  - July 15: Kitchener voted against the rest of the Region (and lost) to have the Region buy parts and material for traffic control devices from Kitchener.
- 1977 — June 23: Cambridge and the townships were aligned against Kitchener, Waterloo and one township representative over a question of placing a 10% levy on the cost of aggregates. Cambridge and the townships won the vote.

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<sup>2</sup>Source: Records of Meetings, Regional Clerk's Office

- 1978 – January 12: Kitchener (except the mayor) voted to waive regional development charges on a condominium development in Kitchener. (The Kitchener mayor and seven others including two from Cambridge opposed and lost.)
- January 12, February 9, September 14: Kitchener on three cases voted en bloc to make a decision on noise abatement on a Regional Street in Kitchener; to reconsider the motion; and to approve noise abatement measures. They lost two and won one of those three votes.
  - December 14: Election of chairman: There was a solid Kitchener vote for one candidate and a solid Cambridge vote for another. However, Waterloo and the townships split two ways.

Contrary to popular opinion there is no evidence of this kind of solid Kitchener vs. Cambridge block voting on major issues (i.e. Conestoga Parkway Debt, Regional Headquarters, Common Sewage or Water Rate).

5. No city in Southern Ontario is an island unto itself. The last several pages have pointed out the interdependence of our communities. If Cambridge seceded from the Region, many of the functions now performed by the Region would revert not to the city but to the Province or intermunicipal bodies. For example, Guelph now **must** participate in a district health board, suburban roads commission, home for the aged board, and also participates in a county/city social services committee and a joint planning board, all of which Cambridge has avoided.
6. There are few local actions which Regional Council may approve or disallow. Its major approvals are in the fields of broad planning and major roads. In most cases the approvals in the planning field that the Region exercises are in the stead of the Province. For the reasons discussed in Chapter Twelve, we believe the Region is a better level than the Province for the execution of these approvals if they are required at all. Our discussion of planning in Chapter Nine suggests most of the approvals are unnecessary and we recommend that they be removed.

The road approvals are basically those of construction of new roads and reconstruction of deficient roads. We discussed the reconstruction issue in Chapter Nine. The issue of construction

approvals for new major roads will remain a problem. As long as there is some road construction powers with the Region, Cambridge will be somewhat dependent on the Region. Later pages will indicate the high level of intercommunity travel on these major roads which makes this appropriate. That the conflicts over major roads have been more apparent than real has already been established, although we agree there are some real problems on the horizon.

### **Summary of Public Opinion Factors**

- Many and probably most Cambridge residents want the city to secede.
- The reasons they give are based on beliefs which by and large would not be borne out if Cambridge were to secede.



## Community of Interest Factors

Here lie perhaps the least substantive, but in emotional terms the most important, arguments put forward in defence of the proposition that Cambridge should secede from the Region.

"The 401 is like a Berlin Wall – there is just no communication across it," sums up the common perception about links between the north and south parts of the Region. We have put this view to seven tests. The results are fascinating.

### North Dumfries Affinity

North Dumfries surrounds Cambridge on three sides and, as such, could be expected to be closely related to that city. It is. However, in addition, it shows a high community identification with Kitchener and Waterloo.

For example, while 47.2% of North Dumfries auto trips end in Cambridge, 23.5% end in Kitchener or Waterloo. This compares to the Woolwich trips to Kitchener and Waterloo of 30.8%. In fact, when trips just to Kitchener are concerned, 18.7% of North Dumfries trips end up there to Woolwich's 15.3%.<sup>3</sup>

This information contains only one significant point. North Dumfries is about as closely related to Kitchener-Waterloo as is the Elmira-Woolwich area. This reflects what history has to say – rural Waterloo does represent an integrated community – north or south of 401.

### Kitchener and Cambridge Intercity Travel

Every day over 45,000 vehicles travel from Kitchener to Cambridge and vice-versa. This constitutes a high level of inter-urban commuting.

There are no readily available figures for other centres to compare with total Kitchener-Cambridge traffic. However, in 1971 the Ministry of Transportation and Communications undertook a series of studies on the origins and destinations of all vehicles travelling between urban centres on provincial highways. Since some municipalities are connected only by such highways and others have local road links as well, comparison of centres on the basis of these

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<sup>3</sup>Source: Transportation Plan Review, Origin-Destination Study 1977, Regional Municipality of Waterloo.

data can only be very tentative. Nevertheless, we have compared several 1971 "trip tables" from these studies in order to examine the significance of Cambridge's relationship with various urban centres. A sample of some of the urban centre to urban centre trips for some of the more closely related but distinct communities is shown in Table 4.13.

**Table 4.13 Inter-Urban Travel Comparisons**

Origin/Destination	Daily No. of Vehicles	Population Served (1971)	Inter-Urban Travel Factor <sup>1</sup>
Cambridge - Kitchener	13,000	166,291	7.8
Cambridge - Guelph	2,000	116,241	1.7
Cambridge - Brantford	1,500	118,867	1.3
Cambridge - Hamilton	1,000	355,950	.3
Trenton - Belleville	3,600	47,279	7.6
Georgetown - Acton	1,700	20,778	8.2
Hamilton - Burlington	43,000	379,301	11.3

<sup>1</sup>The Inter-Urban Travel Factor is the number of vehicles daily moving from one centre to the other divided by the population of the two centres and expressed as a percentage.

Source: O-D Surveys, Trip Table Matrix, Ministry of Transportation & Communication

This indicates that even in 1971 the vehicular traffic between Kitchener and Cambridge, local and county roads **excluded**, was far higher than between Cambridge and any other centre. It also shows that the travel between these two communities was of the same scale as three of Ontario's "twin" communities. An additional factor here is that Trenton-Belleville and Hamilton-Burlington had no county or local roads connecting them while Kitchener and Cambridge had at least two such links.

### The Roles of Preston and Hespeler

Much of the concern about a lack of community between Kitchener and Cambridge originates from the Galt portion of the city. In fact, there is substantial vehicle traffic which originates in Galt and travels to Kitchener each day. The following two tables reveal that, while the largest single destination for Galt traffic is Kitchener-Waterloo, on a per capita basis the K-W area is 3.13 times as important to Preston and 3.68 times as important to Hespeler as it is to Galt.

Preston and Hespeler provide a key to this analysis. They demonstrate the bi-polar effect Galt and Kitchener have on the northern part of Cambridge. Twice as many Preston trips end in Galt as in Kitchener-Waterloo, but twice as many Hespeler trips end in Kitchener-Waterloo as in Galt.

We have a situation, then, in which various parts of Cambridge are attracted to Kitchener-Waterloo to various degrees – Hespeler, predominantly; Preston, heavily and Galt, to some degree. If this were used as the sole criterion of whether Cambridge was related to the north part of the Region, one would conclude that the whole community is; with the north, heavily so. All of Hespeler and the northern part of Preston is more heavily attracted to Kitchener-Waterloo than to Galt.

Table 4.14 Inter-Urban Daily Trips Completed Among Cambridge, Kitchener and Waterloo

VEHICLES TO		KITCHENER		WATERLOO		GALT		PRESTON		HESPELER		TOTAL
VEHICLES FROM		No.	%	No.	%	No.	%	No.	%	No.	%	
Kitchener		—	—	62,072	74.0	8,962	10.7	7,356	8.8	5,442	6.5	83,832
Waterloo		62,950	96.2	—	—	1,303	2.0	780	1.2	393	.6	65,426
Galt		9,746	32.4	1,439	4.8	—	—	16,301	54.2	2,590	8.6	30,076
Preston		7,892	29.7	835	3.1	16,085	60.5	—	—	1,775	6.7	26,587
Hespeler		5,718	55.0	427	4.1	2,500	24.0	1,757	16.9	—	—	10,402

Table 4.15 Trips Per Capita to Kitchener and Waterloo from Cambridge

FROM	Number of Daily Trips to K-W		Trips Per Capita		K-W's Relative Importance	
Galt	9,746		.194		1	
Preston	7,892		.607		3.13	
Hespeler	5,718		.714		3.68	

## Newspaper Circulation

Perhaps one of the strongest indicators of inter-urban identity is the degree to which local daily newspaper circulation crosses borders. In this case 4,500<sup>4</sup> copies of the *Kitchener-Waterloo Record* are delivered to Cambridge daily.

Again, this is a fairly high level of inter-urban communication. Although comparisons with other areas are not useful in this case because of variations in conditions, i.e. number of Toronto papers sold, lack of local dailies, the fact that about 20% of the households in Cambridge receive the Kitchener-Waterloo paper is significant, particularly when there is a strong local newspaper within Cambridge, the *Cambridge Daily Reporter* whose local circulation is 13,000.<sup>5</sup>

## Long Distance Telephone Calls

With respect to telephone calls from within one community to another, Cambridge and Kitchener show a high integration level. In this case the figures we received from Bell Canada were a percentage of south Cambridge customers who call Kitchener numbers at least once a month. However, even this one-way communication demonstrates a very high level of interaction between the two communities. Fifty-five per cent of all south Cambridge telephone subscribers telephone a Kitchener number at least once a month. Because these are toll calls they are far fewer than would be placed by north Cambridge residents who live closer to Kitchener and can call to that city with no toll charge.

Perhaps one of the strongest indicators of a strong community of interest with Kitchener is the fact that, according to Bell Canada, 53% of Galt exchange subscribers favour toll free calling to Kitchener despite the local telephone rate increase that would result. In contrast, 17%, 12% and 13% of Galt subscribers favour free calling to Guelph, Brantford and Hamilton respectively.

Given this very high level of demand, one can be forgiven for asking why Bell Canada continues to split this Region by forcing one part to call long distance to another. We did just that and were told that funds are scarce and there are other higher priority areas.

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<sup>4</sup>Source: Kitchener-Waterloo Record Circulation Department

<sup>5</sup>Source: Cambridge Daily Reporter Circulation Department



## Ethnic Mix

The two cities obviously have a different ethnic mix. The predominance of German culture north of the 401 and the strong Scottish tradition to the south are evident for all to see. However, these are apparently largely vestiges of history and not reflections of current linguistic divisions. The mixture in each case is less varied and the differences between the dominant groups less marked than is popularly believed.

**Table 4.16 Mother-Tongue of Residents of Cambridge and Kitchener<sup>1</sup>**

Mother Tongue	Cambridge	Kitchener
	%	%
English	82.89	80.87
French	1.55	1.71
German	1.91	8.47
Italian	1.16	.47
Ukranian	.40	.67
Other <sup>2</sup>	10.56	6.26
Undeclared	1.68	1.62

<sup>1</sup>Source: Statistics Canada, General Population, Housing, Household, Family & Labour Force Data for Census Tracts, 1976, 95-808, pp. 1-14

<sup>2</sup>Apparently mostly Portuguese in both cases

That the mother tongue of residents in both cities is predominantly English is not surprising -- that it is the mother tongue of four out of five residents in each case is.

## Television News Coverage

Many of the local television programs carried on the Grand River Cable Company's local station focus on Cambridge. Although we made no statistical comparison, we have formed the impression that most local programming covers Cambridge issues as well as Kitchener or Waterloo issues.

The same cannot be said for the Region's main television station, CKCO. As we have mentioned before, we have had excellent co-operation from the media, including CKCO. However, we have observed and been told about a major flaw in its news coverage. It

appears to have placed more emphasis on communities such as London, Sarnia, Chatham and Owen Sound than it did on Cambridge despite the fact that Cambridge is the third largest city in its coverage area, is closer to the centre of the station's market, and is not served by any other local station.

During the past few weeks, however, we have noticed a definite increase in the news coverage of municipal matters in Cambridge. We commend the news department for this change in emphasis and trust it will continue.

### **Summary of Community of Interest Factors**

- Judging by North Dumfries vehicle traffic, Highway 401 is not a barrier at all. Waterloo Region, as it has historically existed, appears to continue to make sense as a unit.
- Kitchener and Cambridge have a very high level of vehicular traffic between them.
- Hespeler and a part of Preston are more heavily attracted to Kitchener than to Galt.
- The Kitchener-Waterloo Record is sold to almost 20% of the homes in Cambridge, an indicator of a high inter-relationship, particularly in view of the fact that Cambridge has a local daily newspaper.
- Bell Canada long distance records for Galt to Kitchener calls indicate a high community of interest between Cambridge and the northern part of the Region.
- The mother tongue spoken by residents of Cambridge and Kitchener suggests that the traditional Scottish and German ethnic divisions, if they still remain, do so as vestiges of history and not as functional and linguistic divisions.

## Conclusions

Contrary to the impression created in Cambridge over the last year or two, secession from Waterloo Region would:

1. *Cost Cambridge taxpayers more money now and in the future.*
2. *Result in a marginal deterioration in some services: health, police and debt financing.*
3. *Result in lower provincial grants.*
4. *Result in higher costs to the rest of the Region.*
5. *Have little effect on improving roads. (In fact, our roads recommendations would have more effect.)*
6. *Mean no decrease in planning duplication. (In fact, after implementing our planning recommendations, the Region would have less such duplication than would a city which still required provincial approvals.)*
7. *Result in a more major role by the Province in local functions.*
8. *Have little effect on the police force except to make it more expensive.*
9. *Over time, weaken Cambridge's ability to secure long-term water supplies.*
10. *Only slightly reduce duplication in the water field.*
11. *Result in several more special purpose bodies.*
12. *Give the city council very little more control over the community than it currently has.*
13. *Not satisfy the root causes of the secession vote.*
14. *Violate all available measures of community of interest.*

**Recommendation 4.1: That the City of Cambridge remain part of the Region of Waterloo.**

**Recommendation 4.2: That the Provincial Government make an early announcement to that effect in order that Cambridge councillors may concentrate on improving the system now in place.**

**Recommendation 4.3: That Cambridge Council co-operate with the other municipalities in the Region to improve and strengthen the present system of local government.**

## Other Structural Issues

### **Should Kitchener and Waterloo Amalgamate?**

The Commission has examined this question and is not moved by the arguments in favour. There is no doubt that Kitchener-Waterloo is one community but its two parts have distinctly different characters. There is no doubt that their immediate juxtaposition has caused and will continue to cause co-ordination problems for the two cities and there is no doubt the Region and the two cities will continue to solve them.

There is no point in redebating an issue which has been alive in this community since the settlers of Waterloo Township settled in two neighbouring communities. Rather, we shall list our reasons for opposing the change and leave the debate to be pursued.

- If there were to be any one-tier system, amalgamation of Kitchener and Waterloo would be essential. The polyglot of special purpose bodies that would be needed in the absence of an upper tier to handle the mutual problems if Kitchener and Waterloo were two separate cities would render the system incapable. The previous system was beginning to bear testimony to this problem.
- As long as there is a two-tier structure, most of the issues of concern between the two can be handled by the Region. Transit and industrial land are the only two issues which at the moment are at issue and beyond the capacity of the Region. The first can be handled by the Region if it becomes a serious problem and the second can be handled in the manner discussed on page 181 of this report.
- Waterloo is a well-managed city with a low tax rate and low expenditures per household. There is no evidence to suggest that it is directly subsidized in any substantial way by Kitchener.
- If a two-tier system remains, as we recommend, and there remains a fear of block voting on emotional issues, the

Kitchener block should be no stronger. (As an aside we should point out that block voting has rarely been in evidence.)

- Tradition. The determination of Waterloo to resist amalgamation is so strong that the reaction to it would threaten the workability of the system.

## **Kitchener's Request to Annex 1100 Acres from Cambridge**

This is a highly complex issue and is made the more difficult to resolve because some members of the two councils insist on treating it as a border war between two sovereign states. No matter what we have to say on this matter, unless members of the two councils stop making political mileage by exploiting this issue, it will never be resolved – unless a slow economy solves it by default – not a remote possibility.

The situation as we understand it is this.

- Kitchener has virtually no serviced industrial land which is on the market. There are three areas in or near Kitchener that have great potential as industrial areas – the Trillium Industrial Park on Strasburg Road; the Ontario Housing Corporation (O.H.C.) lands in Cambridge; and an area near Breslau in Woolwich.
- The construction of a Grand River trunk sewage main up the Grand from Doon to near Breslau would cost \$7,000,000, might largely be paid for by developers and would service the unsettled eastern parts of Kitchener as well as the O.H.C. lands and Breslau.
- Extensive servicing beyond the Strasburg industrial area would apparently also cost \$7,000,000, would have to be paid for by the taxpayer and would serve only that park and its immediately surrounding area. This area if serviced would release 500 acres in the near future and close to 2,000 acres eventually.
- From the Regional Official Plan, we learn that the O.H.C. site and Strasburg are included as areas for potential urban uses, but the Breslau site is located on highest quality agricultural land where the Regional Council is committed to restricting non-agricultural uses.



- The City of Kitchener says that some industries now located in Kitchener may want to expand and there is little space available to them.
- The Housing and Urban Development Association of Canada and the Urban Development Institute believe that Kitchener can attract many industries that no other municipality in the area can and, therefore, any new industrial land should be within the city of Kitchener.
- The City of Kitchener stopped acquiring industrial land a decade ago. The City of Cambridge in contrast has, over the years, carefully built up a substantial quantity of good industrial land. It is located at the north end of Franklin Boulevard and is fully serviced.
- Cambridge is not at all anxious to open up, or to allow Kitchener to open up, a competing industrial park in its north end away from its population centre, not as convenient for its Galt residents to travel to, and more expensive to service than its present north end industrial park.
- As pointed out in the brief from the City of Cambridge, although the Region has the power through its official plan to designate any area for industry or to designate any area for something other than industry, it has been reluctant to take a firm stand on that issue.
- Kitchener has recommended to this Commission that 1,100 acres of the lands in north Cambridge and adjacent to the Grand River be annexed to Kitchener.

The Commission has questioned a large number of people on this issue and discovered that there are as many different ways of looking at it as there are people. The essence of the case as we see it is this. Kitchener has indeed nearly run out of available industrial land. There are several large parcels of vacant land in Kitchener but for a variety of reasons, they have not been purchased by the City of Kitchener for industrial development. To sustain its economy, industrial growth within the boundaries of Kitchener is not needed. However, industrial employment opportunities are required in or near Kitchener.

To recover its investment, Cambridge requires that its industrial park be a success. That industrial park is within a twenty minute drive of most of Kitchener. From a property tax point of view, Kitchener and Cambridge would each be farther ahead not to attract

industry (see *Issues in Municipal Finance*) because the reduction of the resource equalization grant, plus the shift in the proportion of the regional and school board levies, plus the cost of even minimal services, more than equal the property tax generated.

All of this suggests that the most reasonable industrial strategy Kitchener could follow is to encourage industries to settle in the Cambridge industrial park. Then, as the park fills (within twenty years), the O.H.C. lands may become the logical place to encourage industrial growth.

There are three problems with this suggestion. First, there are transportation problems. Second, there may be firms that would not settle within Cambridge but would settle in Kitchener and would be lost to the area unless Kitchener has vacant industrial land. Third, there may be some Kitchener industries which need room to expand but do not want their two plants to be as far apart as downtown Kitchener and the Franklin Boulevard industrial park.

The transportation issue is the least vexing of the problems. The Commission has been assured that to allow people to reach the Cambridge industrial park during the morning rush hour and back home during the evening will require massive new transportation spending. On the other hand, apparently servicing the O.H.C. lands will not. Although the Commission has not undertaken an independent traffic study, logic tells us that this is a problem in perception, not in fact. Even if all 2,600 acres of industrial park space in Cambridge were occupied and only the currently planned roadwork took place, we are hard pressed to believe that the widened Highway 401, Franklin Boulevard, Highway 24 and Highway 8 route as now planned would be unable to handle the traffic. At most, the industrial park would employ 16,000<sup>1</sup> people of which many could be expected to follow the industry into the area and settle relatively close to the park. Some others would commute from the Kitchener-Waterloo area, no doubt. Even if one-third of the labour for these industries were drawn from the K-W area, this would constitute only about 5,000 people per day. This would lead to automobile traffic of no more than 7,000 trips per day in addition to the 17,000<sup>2</sup> per day now using the most densely travelled part of that

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<sup>1</sup>Source: 1976 – Marshall, Macklin, Monaghan, *Cambridge Industrial Park Development Study*; 1973 – *Cambridge Official Plan*.

<sup>2</sup>Source: Regional Municipality of Waterloo, Department of Planning and Development.

route (Highway 24 at 401). The doubling of capacity currently planned for those roads could presumably handle the extra traffic.

The other two issues are related. If there are industries which are specifically interested in the Kitchener labour market (say a German industry or an existing Kitchener industry which wishes to expand), it is hardly reasonable to tell them to locate ten miles from Kitchener. The logical place for them is in the existing available land in Kitchener, in the Waterloo industrial park or in an alternative site, of which the O.H.C. lands seem to be the most centrally located, easily serviced and compatible with the regional plan.

This, we believe, is the only justification for Kitchener's annexation request. However, we do not believe that it is sufficient justification. First, if Kitchener had (as Galt and since 1973 Cambridge has) purchased vacant land for industrial purposes within the city when it was available at a lower price, there would be no justification for the annexation. To do so now simply means Kitchener has to pay a premium price for lands that are less desirable but still suitable. There is still relatively easily serviced land which Kitchener can buy, albeit at a price, to hold for these special industrial purposes. The Kitchener Chamber of Commerce has in fact recently proposed that the City of Kitchener pursue industrial development more vigorously through land purchases and innovative use of technology.

Second, in the event that Kitchener has exhausted all these options and there is still an industry that wants to settle very close to the Kitchener market, an appeal to Cambridge to rezone a small area of the O.H.C. lands could be well received. That city has no interest in chasing industry out of Kitchener, and is as interested in the local economy as is Kitchener. Finally, if all options fail and Cambridge is unreasonable, Kitchener still has two courses open to it. It can file an annexation application with the O.M.B. It can persuade the Regional Council to designate the land industrial, have the Region put in the services, and encourage the owner to appeal to the O.M.B. for a rezoning. Chapter Nine discusses regional industrial development powers in more detail.

What all this boils down to is that this Commission does not agree that any portion of the O.H.C. lands should be annexed to Kitchener. The wisest course of action lies in stimulating the existing industrial park in which Cambridge has capacity for at least twenty years, purchasing some industrial land within Kitchener for industries

that must locate in or expand within Kitchener, and working within the Regional Official Plan to open a Cambridge industrial park on the O.H.C. lands as the present Cambridge park nears complete development.

## Other Boundary Issues

There are a number of other issues of structure and/or boundaries which have been brought to the Commission's attention. These are discussed here.

### Elmira Secession from Woolwich

There is apparently some feeling among some Elmira residents that they have not fared well as part of Woolwich. There has undeniably been a decrease in the quality of some services. The Commission has been able to document deterioration in four areas: water quality, snow removal, street sweeping and garbage collection.

Of these, only the deterioration of water to some parts of Elmira was not the result of a deliberate local council decision. The reason certain parts of Elmira have cloudier and/or sharp-tasting water is because a new well was required to supply the growing community and the water that was found was not of as high a quality as the other well serving Elmira.

However, the deterioration in the other three services was deliberate. Elmira residents are not being as well served in these functions as they were under the old system. (See *Municipal Services in Cambridge and Woolwich* monograph.)

Woolwich councillors informed the Commission that they could not provide a higher level of service to one part of the municipality than to another and therefore had cut back special snow removal and street sweeping. Similarly, the garbage pick-up schedule and the classes of properties served changed because council decided it could save money and still provide an acceptable level of service.

The other side of the coin is that the cost of local services to Elmira is considerably lower now than it would have been under the old system. The graph on page 15 shows that the cost of local services in 1976 was \$154.69 less than it would have been under the previous system if it had increased spending only at the rate of inflation.



The point here is that, although some services have declined, so have costs. A democratically elected council has made a deliberate choice to control spending. This does not constitute any abuse of Elmira. Rather, if Elmira residents wish these extra services, they could certainly petition their council to provide them and charge the costs against the Elmira residents only. If council were convinced the majority of residents would rather have the improved street sweeping, garbage collection and snow removal than lower taxes, it presumably would have no interest in not complying.

The other arguments raised in favour of Elmira secession by the few people who approached us were essentially the same as those used by Cambridge to secede from the Region. Without repeating our reasons for rejecting them, we believe these arguments have little validity. Further, it is our view that an urban market centre like Elmira must work closely with its rural neighbours to avoid prejudicially affecting each other.

### **Heidelberg**

It has been pointed out to us that the community of Heidelberg straddles the municipal boundary between Wellesley and Woolwich. This has created some difficulties particularly in the recreation field. Simply as a matter of community cohesion such situations should be avoided. However, we have the distinct impression that no one is anxious to force any changes. The Commission concurs with this view but suggests to Woolwich and Wellesley that in the event the issue does become more difficult, the wishes of the residents as to which township they wish to be in should be respected. At that point an agreed annexation could take place.

### **Wellesley-Wilmot Boundary**

It has been suggested to us that the southerly growth of the former village of Wellesley into Wilmot Township is sufficient reason to redraw the boundary between the two townships. It would be wise to ensure that the growth of a single settlement area takes place within a single municipality. The Nith River in the vicinity of the community would seem to be the logical limit of its growth and a natural boundary. However, this Commission will only go so far as to suggest that Wellesley and Wilmot meet to determine if long-term problems will exist unless the boundary is changed. In the event that



co-ordination of services such as recreation, fire protection, and water and sewer threaten to be problems, an agreed annexation should take place.

### **Waterloo's Northern Boundary**

The City of Waterloo's industrial area at its north boundary has spilled and will continue to spill into Woolwich Township. Again, logic would suggest that the area between Highway 85 and Regional Road 8 in Woolwich which is almost certainly slated for industrial growth should be part of the City of Waterloo. It can service the growth there more easily than Woolwich and new industrial assessment coming into Waterloo would have a smaller **negative** effect on the city than such assessment in the township would have on its ratepayers. (See discussion on page 108 and for more detail see *Issues in Municipal Finance*.)

Again, however, within a regional system, such boundary adjustments are not absolutely essential. If the City of Waterloo and Woolwich Township cannot reach agreement on an appropriate boundary, this Commission is not of the opinion that a contested annexation would be worth pursuing. Only if one municipality begins to take advantage of the other should such action be considered.

### **Boundary Issues in General**

Several other people approached us during the study to consider boundary changes to enhance the development opportunities for their lands. This we do not feel is our function but rather something to be resolved as a matter of municipal public policy.

**Recommendation 5.1: That no boundary changes take place other than those agreed to by the various municipalities. The benefit to be derived from any change in boundaries is relatively minor and the energy expended in trying to do so over the opposition of a neighbouring municipality will detract from early action on the vital changes which are required.**



# PART THREE

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## Organization

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# Representation and Decision Making

## Introduction

Does it make any difference how people are elected or what job they do when they are so elected? Many people agree with us that the character of our democratic forums is of vital importance, but a surprising number have suggested to us that we should not waste our time on “theory”. “Stick to the practical problems like taxes, roads and planning,” we are told, “and democracy will take care of itself.”

This is a point of view that we cannot accept. The only reason local government is worth having is that it is democratic. If it did not represent the local residents; if it was not accountable to them; if it was not distinguishable politically from the Province; it would be a waste of time, money and energy. If our only concern is to provide a given mix of services in the most efficient way, the last thing we would do is set up an elected local council. Far better to have a deputy minister of South Western Ontario who, under cabinet's direction, would administer roads, arenas, subdivisions, fire and police protection. Efficiency would probably be greater and the co-ordination among services would certainly be better. Why then have councillors cluttering up the system?

The answer to that is on the one hand, basic, and on the other, complex and remote. The provision of a given mix of services in the most efficient way is not our only concern. Our expectations for local government are far greater than that.

1. We want a system that can **define** the mix of services a community wants. Not every area wants the same level of service and not every area is willing to pay taxes to support the same services. Kitchener has a transit system but Woolwich does not. Cambridge has a new-style fire department but Waterloo does not. Wilmot has a planner; North Dumfries does not. Wilmot has a swimming pool; Wellesley does not.

The local taxpayers should be able to decide what local



services they want, in what degree and at what price.

2. We want a system that can be held to account if it does not provide what the community wants at a price it is willing to pay. No one has ever come up with a more effective way to hold an employee to account than through the power to hire and fire. Thus, we want a system wherein the community can collectively hire and fire its agents. In this complex society we have had to move one step away from direct control of the community in the form of town meeting democracy and instead elect (hire) representatives to do the job for us.
3. We want a system in which all the power of state is not concentrated in one person or group of people. In the provincial context that means we want a division of power between the Province and those defining our local needs.
4. On the other hand, we want a system that allows the various participants in it to be efficient and co-ordinated. We do not want one level tripping over another or tying it up in red tape. If there has to be more than one government involved in building roads, for example, we want to be sure that the various roads meet each other in a safe way.
5. We want a system in which everyone has an opportunity of input. This means not only universal adult suffrage but universal opportunity to stand for election.
6. We want the system to be understandable. This is really a function of wanting a system that can be held to account for its decisions. To hold a body to account, we have to understand the decisions for which the body is responsible and the area over which it has jurisdiction.
7. We want a system that has the ability to do the things for the community that the community wants done. It is not very useful to have a system that can identify the need for better sewage treatment if it can not also build the sewage plant.
8. Finally, we want an open system. The tradition of our nation and our culture demands that we be able to "get to" the system that governs our community. This entails open minutes and meetings, recorded votes, and available representatives.

There may be other attributes which we all expect local government to have, but these eight expectations constitute a formidable list of what local government should mean and be to us. In Chapter Two we used similar expectations to measure how the

new system of local government compares to the previous system. The eight criteria we used there are simply the foundations of the expectations we have just discussed.

All of this is meant to exhibit how much more local government has to be than just an efficient administration. All of the expectations we have of local government hinge on two features of the system: how it is structured physically and functionally; and how it is controlled by the community. That latter feature is what this chapter discusses. How does the community express its wishes about the system? Are the present methods of doing so the best way to satisfy our expectations of local government?

The most important, pervasive and co-ordinated way that the community expresses its control over the system is through the ballot. Elections are the main instrument of the community in defining its local services, taxation levels and even community character. Is the electoral system now in place adequate?

Our response is no.

The Commission published a research document entitled *Representation and the Electoral System in the Region of Waterloo* which explored the problems in the present electoral system. This study and discussions with many municipal councillors and other interested people have led us to focus on five issues.

- Method of election of regional councillors.
- Size of Regional Council.
- Method of electing local councillors.
- Method of electing the regional chairman.
- Length of term of office.

## **Election of Regional Councillors**

### **Direct Election**

The issue of dispute in connection with the election of regional councillors is whether they should be directly elected by the public to sit just on Regional Council, or continue to be, in the main, appointed by and from local councils (indirectly elected). On pages 29 to 55 of the Commission's representation study the alternatives and their pros and cons are explored. This study came down in favour of direct election of regional councillors with the mayors being the only members of local councils to sit on Regional Council. It concluded

that what is lost in co-ordination between the two levels of local government is more than made up for by the increased accountability and the increased commitment to, and time available for, regional office.

Other studies in other areas have seen the trade-off in the same light. In fact, increasingly, the weight of opinion is shifting in favour of direct election. Without once again exploring the arguments pro and con, this Commission agrees that direct election of regional councillors is desirable, and that what is lost in co-ordination is unfortunate but not very serious. We would be content to leave the discussion at this point if it were not for the disconcerting fact that practically no regional councillors and few local councillors agree with us.

There are two reasons advanced by most councillors for opposing direct election. They invariably concede that they are arguing in the face of greater accountability and a more understandable system; however, they insist that direct election to Regional Council would weaken the total local government system.

First, they argue, there is the problem of political polarization. If a regional councillor were elected directly to Regional Council and local councillors were elected directly to local councils, they would have a relationship that is exactly the same as that which now exists between the boards of education and local councils. It is a situation of "two solitudes". Each body claims with some validity that it represents the public will, yet on many mutual issues they go in opposite directions.

"School trustees," local councillors complain, "don't appreciate that property taxes have to provide a lot more than just schools and teachers' salaries. They don't appreciate the problems we have in making this a civilized community."

"Local councillors," we have been told by school trustees, "think they are the only people who have taxation problems. We break our necks to provide an excellent education service at minimal costs and they go popping off about our throwing money around carelessly."

This kind of conflict permeates education/local relationships. It has been convincingly argued that it is the separate mandates of these two bodies which allow such intense feelings to develop. Misunderstandings are not talked over and sorted out every couple of weeks over a common table. (In fact, last year featured the first meeting in anyone's memory among the City of Kitchener and the

two school boards.) When local councils do not like what happens at Regional Council, it is discussed among councillors at the next local council meeting.

The role of the Wilmot council in debating the water issue with its two representatives on Regional Council is cited as an example of the benefits of indirect election. Extreme polarization would have resulted over the Wilmot water issue if Mayor Ritz had not faced Wilmot council every two weeks and defended his views. Wilmot councillors would have made increasingly inflammatory and decreasingly constructive statements about regional water-taking, and the regional councillors would have quickly seen that there was nothing to be gained in trying to meet the Wilmot council concerns halfway. As it is, the issue is by no means resolved; however, the two bodies are working on it and doing so in a reasonably co-operative manner. Without the overlapping membership between the two bodies, we agree the debate would have degenerated to a far lower level than it has.

A second aspect of the "political polarization" argument is that direct election makes co-ordination between the two bodies difficult. Each deals with planning, roads, water, sewer, garbage, computers, purchasing and other common subject matter; and the activities of one affect the other greatly. Without overlapping membership on the two bodies, integration and co-ordination of such activities would be far more difficult.

The second major argument against direct election of regional councillors made by councillors in the Region is that it would make the Region too strong. Although few people made this argument to us in public, several hinted at it from a number of angles. If people could run for Regional Council where many of the important allocative decisions are made without having to serve on local council, they would be far less likely to be governed by the problems, perspectives and concerns of local councils. They would be far more likely to support an active Region which would in turn make life more difficult locally.

In summary, we find the first of these arguments compelling. This drawback of direct election when placed against its several advantages comes close to balancing the scales. The firm opposition of the majority of municipal councillors to direct election, in our view, tips the scales against such a system.



## Conclusions

- *Direct election of regional councillors has several theoretical and practical advantages over indirect election.*
- *The major stumbling block in the way of implementing direct election is that most councillors oppose it for reasons of "political polarization" and loss of co-ordination.*

There is an alternative to direct election of Regional Council in force in Ontario which is designed to overcome the weaknesses of indirect election and the objections to direct election discussed above.

## The Double Direct System

This electoral system has been favoured by the Province in the last five regions it has established. Originally used in the county system and more recently in the Regional Municipality of York and in the Township of Wilmot in 1973, it has several features of both direct and indirect election. As with indirect election, all members of the regional council also sit on local council. However, they gain their seats on regional council not by virtue of their position on local councils but by standing for election to both councils; hence the term "double direct". As with indirect elections, the regional councillor has a close identity with his local council, but as with direct election, will be seen by the public as a regional councillor.

On balance, this is the system this Commission favours for Waterloo. It will overcome the greatest weaknesses of the indirect electoral system but avoid the problem of political polarization of the direct election system.

**Recommendation 6.1: That all regional councillors continue to sit on both local and Regional Councils, but that those who wish to sit on Regional Council must indicate this in advance of the election and be elected "regional councillor" by the electorate (similar to the present Wilmot councillor-at-large system).**

## Size of Regional Council

At the moment the twenty-five person Regional Council is composed of the chairman, plus nine from Kitchener, five from Cambridge, three



from Waterloo, three from Woolwich, two from Wilmot and one each from Wellesley and North Dumfries. There are two problems with this distribution: (a) city representation is disproportionate; and (b) it is extremely difficult for the sole representative from a municipality to find the time to execute all the duties his council expects of him. This is particularly the case here, where the two members in this position are mayors who by virtue of their office are already very busy.

Some would argue that there is a third problem with the number of representatives; that is, that rural areas are over represented on a representation by population basis. Many rural councillors, in anticipating this view, have argued that a strict representation by population formula should not be followed and have suggested a variety of other factors which should also be considered. We have received proposals that representation be based on population plus: area, numbers of miles of hydro lines, miles of road, or value of agricultural products produced.

All of these we reject as “fudge factors”. If it is desirable to overweight the rural areas in order to ensure that the rural voice is not lost in a predominantly urban area, we believe it should be done openly. Representation by population is by far the best and most equitable form of representation and we endorse it in principle. We also recognize that 87% of the population in this Region is in the cities, which on a twenty-five person council means the rural voice would consist of 3.25 people and would thereby be swamped. We suggest that the rural voice continue to be overweighted as it has been but that representation by population be used to determine the number of representatives from the three cities.

## **Urban Representation**

Using representation by population as a basis for establishing urban representation on Regional Council, we evaluated the present system and concluded that some changes are required.

- The City of Waterloo is underrepresented relative to the other urban municipalities.
- This underrepresentation will become more severe because Waterloo is growing more quickly than the other two cities.
- The present number of representatives from Kitchener and Cambridge would be difficult to adapt to the double direct system of election. Kitchener must either have two fewer wards or two more representatives on Regional Council, and

Cambridge would have either no wards or a strange ward system using present numbers.

- We wish to increase the number of representatives from North Dumfries and Wellesley, but to do so without increasing urban representation would change the delicate balance of interests on Regional Council.

**Recommendation 6.2: That city representation on Regional Council be set at one representative for every 12,000 residents instead of the present one representative for every 15,000. Thus Kitchener would have eleven members, Cambridge six and Waterloo four.**

Table 6.1 Urban Regional Representation

Municipality	PRESENT SYSTEM				PROPOSED SYSTEM			
	Population	Number of Regional Councillors	Constituents Per Councillor	Variation from Base of 1/15,000	Number of Regional Councillors	Constituents Per Councillor	Variation from Base of 1/12,000	
Cambridge	71,482	5	14,296	– 4.7%	6	11,914	–0.7%	
Kitchener	131,801	9	14,645	– 2.4%	11	11,981	–0.2%	
Waterloo	49,972	3	16,657	+11.1%	4	12,493	+4.1%	
TOTALS	253,255	17	Average 14,897		21	Average 12,059		

## Rural Representation

Having conceded that representation by population cannot be applied across the Region because it would virtually eliminate the rural voice, we turn to the question of finding an acceptable system upon which to base rural representation. At present, representation appears to be based approximately on one councillor for each 5,500 residents. We do not propose to change that base; however, we do believe there should be a minimum of two representatives per municipality.

Under the present system two municipalities have only one member each on Regional Council. The Mayors of Wellesley and North Dumfries are confronted with a task of very major proportions. They must represent the views of their constituents to each regional committee and the council – a task they have found to be almost beyond the means of one person. Elsewhere in this report we are recommending an increase in responsibilities for regional councillors which will put even more pressure on these already beleaguered mayors.

An ancillary advantage of increasing the rural representation by two is that it maintains the balance of urban and rural interests on Regional Council that has proven to work effectively to prevent domination of the council by any single interest.

**Recommendation 6.3: That rural representation be based on a minimum of two representatives per municipality, plus one member for every 5,500 residents over a population of 10,000.**

Table 6.2 Rural Regional Representation

Municipality	PRESENT SYSTEM			PROPOSED SYSTEM		
	Population	Number of Regional Councillors	Constituents Per Councillor	Number of Regional Councillors	Constituents Per Councillor	
North Dumfries	4,901	1	4,901	2	2,456	
Wellesley	6,404	1	6,404	2	3,202	
Wilmot	10,566	2	5,283	2	5,283	
Woolwich	16,038	3	5,346	3	5,346	
TOTAL	37,909	7	Average 5,416	9	Average 4,212	



There are two drawbacks to our proposed Regional Council. First, it increases an already large council by six. Second, it grossly overrepresents North Dumfries and Wellesley relative to Wilmot and Woolwich.

We gave long consideration to the increase in council size from twenty-four plus a chairman to thirty plus a chairman. Later in this section we suggest a mechanism that allows council to reduce effectively the council size by one (see page 134). Nevertheless, even an increase of five is a problem for two reasons. A larger council makes debate somewhat more difficult. We are not convinced, however, that a council of thirty is noticeably more unwieldy than a council of twenty-five.

Second, five or six more regional councillors mean an extra salary cost of \$35,000 to \$40,000. However, later in this report we recommend that Regional Council take over the functions of several major special purpose bodies and some important provincial programs. These will entail more committee work and would probably require a somewhat larger council in any event.

The problem of the overrepresentation of two townships relative to two others does not cause us much concern. Woolwich and Wilmot actually benefit marginally from the increase in North Dumfries and Wellesley representation. The proposed Regional Council would actually have a very small increase in relative rural strength. The proposed council would overweight rural representatives by a factor of 2.86 as opposed to 2.75 on the present council.<sup>1</sup> Secondly, the reasoning which has led us to recommend greater representation for North Dumfries and Wellesley is similar to the reasoning used to overweight all four rural areas in the first place. Once a decision to overweight has been made in order to accomplish some purpose, the degree of overweighting must be sufficient to accomplish that purpose. Without giving greater representation to the two small townships, we do not believe the purpose of overweighting rural areas would be met.

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<sup>1</sup>Rural overrepresentation in present system  
 $(1/5416 \text{ people}) \div (1/14,897 \text{ people}) = 2.75$

Rural overrepresentation in proposed system  
 $(1/4212 \text{ people}) \div (1/12,059 \text{ people}) = 2.86$

### Proposed Regional Council

Cambridge	– 6 being the mayor + 5 regional councillors elected either at-large or by ward (increase of 1)
Kitchener	– 11 being the mayor + 10 regional councillors elected in 10 wards (increase of 2)
Waterloo	– 4 being the mayor + 3 regional councillors elected at-large (increase of 1)
North Dumfries	– 2 being the mayor + 1 regional councillor elected at-large (increase of 1)
Wellesley	– 2 being the mayor + 1 regional councillor elected at-large (increase of 1)
Wilmot	– 2 being the mayor + 1 regional councillor elected at-large (no change)
Woolwich	– 3 being the mayor + 2 regional councillors elected at-large (no change in number)

**Total 30 (increase of 6)**

### Method of Election of Councillors

To elect by ward or at large? a question to tease students of local government almost ad infinitum. Our representation study faithfully recounts the arguments in favour of wards and against wards, and comes down resoundingly in the middle – wards if necessary but not necessarily wards. This Commission is still ambivalent on the subject.

In the final analysis (and it becomes a very subjective question at this stage), we have come down grudgingly in favour of wards in the large urban municipalities and against them elsewhere. Our reasoning is fairly straightforward.

There are three arguments against having wards which we believe tip the balance against them except in the largest of

municipalities. We observe that acclamations tend to occur far more often in systems with wards than those without (see *The Effects of Electing Municipal Councils by Ward or At-Large: A Preliminary Comparison in Ontario Cities*, a limited circulation research monograph). We reason that the more wards there are, the more chance of there being acclamations in some wards and hotly contested battles in others. Secondly, the ward system leads to a situation where two very good candidates fight it out in one ward, while a less qualified candidate is acclaimed in another.

Finally, and we believe most significantly, the individual voter in an at-large system can review the performance of his/her whole council and express views on all councillors. This is a far greater degree of public accountability than can be achieved with a ward system.

**Recommendation 6.4: That in all municipalities except Kitchener and perhaps Cambridge, the regional councillors be elected at-large across the whole municipality and that Cambridge council consider the at-large system.**

**Recommendation 6.5: That only those municipalities whose large population virtually requires a ward system have wards; all others should have the local council elected at-large.**

Because Recommendation 6.5 is fairly vague we must apply it to each municipality.

## Cambridge

This city now has fourteen wards which (with all respect to the provincial government that set up those wards, and to the municipal councils which requested them in 1972) is simply too many. There were five acclamations in Cambridge in 1978, yet it is as politically alive and dynamic as any municipality in the Region. The fourteen wards are in place, we are told, for two reasons. One, because the councils of the former two towns, two townships and one city which comprise Cambridge wanted to give a maximum number of councillors an opportunity to be elected. Two, because they wanted to ensure that all parts of the new city were represented to assist in developing community unity and still preserve the identity of Hespeler and Preston.

With these ends accomplished, we suggest Cambridge can now

eliminate or reduce its wards. (Note that since 1973, 1 mayor has come from Galt, 1 from Hespeler and 1 from Preston (twice).)

**Recommendation 6.6: That Cambridge reduce or eliminate its wards for the 1980 elections. Specifically we recommend any one of the following:**

- (a) 5 wards, from each of which one regional councillor is elected and one local councillor is elected. (11 member council) If a large (16 member) council is preferred, two local councillors could be elected from each ward.
- (b) 5 wards, each electing one local councillor. The 5 regional councillors would be elected at large. (11 member council)
- (c) No wards. Every voter in Cambridge would vote for the mayor, the 5 regional councillors and however many local councillors are decided upon.

## **Kitchener**

Our proposal for an increase of two regional councillors for Kitchener fits conveniently into its present ward system. Kitchener council consists of the mayor plus ten councillors elected from ten wards. At present, the city council then chooses eight of the councillors to attend Regional Council. Through our proposals all ten councillors would continue to be elected by ward and would join the mayor on Regional Council.

**Recommendation 6.7: That Kitchener continue its present ward system of election to local council and all ten councillors elected to local council sit on Regional Council.**

## **Waterloo**

**Recommendation 6.8: That no wards be introduced in Waterloo and that all councillors including the mayor and three regional councillors be elected at-large.**

## **North Dumfries, Wellesley, Woolwich and Wilmot**

In the former townships, towns and villages, wards were not common. Ward systems were introduced in 1973 to all four townships to help bring the urban and rural communities together smoothly. By designing wards so some included solely urban areas

and others included solely rural areas, it was possible to ensure that neither urban nor rural would dominate the elections. In no case do we believe there is a threat of urban versus rural voting taking place. Votes for mayor which are at-large show in all cases a mixture of urban and rural candidates being successful. Ayr provided a mayor, so did rural North Dumfries. New Hamburg provided a mayor, so did rural Wilmot. Elmira provided two mayors and rural Woolwich one even though the rural population is greater than the urban. In Wellesley, the first mayor was from the Village and the present one is from the rural area. One-half of township councillors were returned to office by acclamation in 1978. This suggests that wards as they now exist in the townships tend to frustrate rather than facilitate an effective democracy.

Thus, we conclude that protection of parochial interests is no longer required, and local democracy would be better served by at-large elections. There is a particularly strong case to be made in Woolwich for this approach because there will be three regional councillors elected at-large in any event, making the careful "wardmanship" of past years blessedly unnecessary.

**Recommendation 6.9: That all councillors, local and regional, be elected at-large within each of the four townships.**

## Method of Electing Regional Chairman

There is some feeling that the regional chairman, in the interests of an accountable democracy, should be elected across the whole Region.

The usual argument put against this suggestion is cost. The cost of becoming chairman of the Regional Council would indeed be high if it were necessary to campaign over an area of 500 square miles with nearly one-third of a million constituents. On the other hand, it would be possible to put limits on campaign expenses or even have the public pick up the costs for serious candidates (definitional problems acknowledged). There is, we believe, a much more substantial reason to retain an appointed chairman.

What is the chairman? What should his role be? He should indeed be just that: a chairman, an arbiter of conflicting demands, one who presides over council meetings and ensures staff carries



out council's wishes. At most he is (and should be) first among equals and not a superior official to other regional councillors. We endorse the concept that council is the body that should be governing the Region and it should not be inhibited by a chairman whose mandate is broader or stronger than any council member.

Former Regional Chairman Young was perhaps the most successful and certainly among the most highly respected chairmen of regional municipalities. He did not achieve his success by appealing to the voters over the heads of other councillors; nor could he; he had no mandate to do so. He did not achieve his success by pursuing his own objectives stridently "over council's dead body" so to speak. He could not have even if he had wanted to; he was council's instrument. He achieved what he achieved by bringing together conflicting views and by helping to find a road the majority of council would follow.

There is a great danger in making the regional chairman more powerful. A mandate from 300,000 people would make him automatically a more potent political presence than any other in the Region. Consensus would then become less important and he would be free to pursue his own platform secured through his own superior mandate.

Apart from this argument, we believe the points for and against direct election of the regional chairman are relatively even. The threat of a "superior mandate" trying to dominate and over-ride council is reason to avoid direct election of the chairman.

There is a body of opinion that agrees with this view but suggests that, like the prime minister and premiers of the country, the chairman should be selected from among councillors. This view suggests that to be first among equals, one requires the same status as those among whom one is first.

There is a major problem, however, in the banning of non-council members from the chairman's post. It is not a philosophical problem; it is a practical one. If the chairman is elected from and by Regional Council, must he resign his seat on the Regional Council and local council? Practice tells us that the task of regional chairman is onerous and we tend to doubt if under present circumstances a chairman could do justice to all three roles: chairman, regional councillor and local councillor. Certainly, if he were a mayor he could not.

If we assume that the chairman should vacate his other

positions to serve as chairman, a difficulty arises. By his very nature, the chairman will always be one of the most respected and successful politicians in the Region. In November of an election year the politician offers himself to his electors for re-election as local and regional councillor or as mayor. Then a month later he is elected chairman and declares his council seat vacant with one of two unsatisfactory consequences. Either a by-election is held (in the case of mayor it must be), or an appointment to both councils is made by the local council. One is expensive, the other denies the electors in the local municipality an elected representative.

If, on the other hand, we assume the chairman does not have to vacate his local council seat, a different problem arises. Mayors, we believe, would be physically unable to become chairman and do justice to both positions. Thus, seven of the Region's most seasoned people become ineligible. The principal reason it would be desirable to have an elected person as chairman is to demonstrate to the public that the man at the helm of the Regional Council has the confidence of his electors. He is then a politician and not a bureaucrat. We believe it is possible to satisfy this requirement in principle without raising either of the problems discussed above.

**Recommendation 6.10: That council continue to have the option to appoint someone not on council as chairman; however, if the regional chairman is elected from the Regional Council, he should keep his seat on local council.**

**Recommendation 6.11: That mayors of local municipalities be prohibited from sitting as mayor and regional chairman at the same time.**

**Recommendation 6.12: The regional chairman, where applicable, continue as a regular member of local council, but that local council endeavour to minimize his duties.**

**Recommendation 6.13: That on Regional Council the chairman continue to have a tie-breaking vote. However, to avoid effectively disenfranchising his constituents, if the chairman is an elected person, he should have a tie-making vote as well. On any occasion the chairman will have but one vote either to make or break a tie. (A tied vote is a lost vote of course.)**

By following this course several advantages accrue:

- No by-elections or appointments to fill vacancies are required.
- The chairman can still be a politician and not a bureaucrat.
- Council continues to be able to select the best person for the job without tight restrictions on eligibility.
- Mayors are not prohibited from running for chairman but to do so must step down as mayor before an election and run for regional councillor.

There are only two disadvantages to council selecting a member of council as chairman. The chairman, already a busy man, will have several hours of local council work per week to add to his schedule. However, on page 138 we discuss the executive role at the Region and propose changes that would lift some of the burden from the regional chairman and make his role as local councillor possible. Secondly, the chairman, now the only person who speaks from a solely regional perspective, will be burdened with a local accountability. Neither of these is of sufficient magnitude to offset the advantages of the proposal.

## Term of Office

Should local councils hold office for one year, two years, three years or four years? This question has been bandied about Ontario for years with no consensus being reached. Those arguing for one or two years want to keep council “close to the people,” “more accountable” or “on a short string”. Those who argue for three or four years want to “encourage a frame of mind that thinks more than a year ahead” or “give councillors time to learn before making them try for re-election.”

We do not expect to resolve the debate, but we will add our voice to it. Two years is too short a time for council to be in office. Quite apart from the expense of being elected, we subscribe to the view that in a two year term councillors “spend the first year catching up and the second year running for office.” In large municipalities we cannot afford political abdication, and to a distressing extent that is what we are now experiencing. (See *Decision Makers in Local Government*.)

**Recommendation 6.14: That the term of office for municipal councils at least in Waterloo Region be extended to three or four years from the present two years.**

## Decision Making at Regional Council

One phenomenon more than any other has disturbed us during the course of this review. Among the public there is very little understanding of how the Region works. Those with axes to grind find an ill-informed public highly susceptible to distortions and exaggerations.

At one point this Commission was told by an otherwise informed president of a ratepayer's group that his taxes had increased four-fold in eight years because of regional government. A quick check demonstrated that his taxes had gone up a total of 16% during that period. When confronted with this fact, he was dumbfounded. He had truly believed his taxes had gone up four-fold.

Many Wilmot farmers believe that the Region has drilled several new wells and are up in arms about it; however, no wells have been drilled since 1972: the Region inherited the water problem. Several Cambridge residents assured us that they were subsidizing the rest of the Region; that is, Cambridge paid into the Region more than it took out. In fact, the reverse is true. Many councillors and any member of the Commission staff could carry on at length concerning the plethora of misinformation which is current in this Region about the way local government works.

There are widespread beliefs about the system which have led to many people strongly condemning that for which there is no reason to condemn and strongly defending that which is suspect.

We discuss at some length in Chapter One what we think has to be done about this by residents, schools, the media and municipal and provincial governments. Here we want to explore what it is about the Regional Council that allows these widely held falsehoods to go uncorrected.

In short, we believe that many regional councillors are abdicating their responsibility to the community by not actively debating regional issues in public and by not calling up short those who convey false information about the Region. It is clear that a councillor is far safer politically to be harshly and inaccurately critical of the Region, than to acknowledge that he, as a councillor, is part of the system and to try to explain council's action.

For eighteen months we have observed some regional councillors play a Jekyll and Hyde game. When they are at Regional Council, they are sincere and dedicated in trying to come to grips



with problems. In private, they work hard on regional problems and speak in glowing terms of the regional staff. Then these same people return to their local councils and harangue the Region for what “they” did. If this were just one or two councillors, one could conclude that the majority of regional councillors constantly over-rode their advice. But these are many councillors. Whether a third of the council, half the council or two-thirds of the council fall into this category, we are not prepared to suggest; however, it is a prevalent condition.

Just as an example – in its brief to us Kitchener council complained of the vagaries of the Region, particularly in relation to the way “the Region” adopted its official plan. The litany of offences committed by the Region may be real and worthy of consideration, but the tone of the Kitchener brief was one of an injured party, badly served by the Region. Yet nine-elevenths of the Kitchener council sits on Regional Council and the majority of Kitchener council are rarely on the losing side of a vote. Moreover, six of the nine Kitchener regional councillors who complained of being badly done by were members of the council that passed the official plan with only one dissenting vote. The “they” Kitchener council was flailing, were to a large extent, themselves.

Similarly in their brief to this Commission, the Cambridge council strenuously criticized the Regional Council for failing to come to grips with the industrial land question in its official plan. This, the city assured us, was evidence that Regional Council could not plan effectively. Yet for the past six years, five members of the Cambridge council have sat on the Regional Council and we can find no record of any of those councillors suggesting that the regional plan should contain firm industrial development strategies.

We do not want to suggest that all councillors blatantly play this game. Nevertheless, too few are sufficiently vigilant in avoiding it. When one has been party to a decision and then gives the impression that one has not been, or at least does not advertise that one has been involved, the public trust is not being faithfully protected.

We want to make it more difficult for councillors to disown their own decisions when it is convenient to do so. We believe the public deserves to hear “the straight goods” and we believe that to persuade many councillors to perform their role, they must be seen to be responsible for their own actions.



At the moment there is no force compelling regional councillors to debate regional issues and concerns in public. There is no reason for him to explain the regional point of view. The lone exception is the regional chairman. He is “on the spot” because he is an executive officer of the Region. He must help discharge the Regional Council’s wishes and cannot avoid being seen in that light. This leads to what we believe are two of the most important recommendations we have to make.

It is our wish to ensure that more regional councillors feel compelled to accept some element of responsibility for their actions. If more of them were required to carry out executive functions, more of them would feel this compulsion.

Accordingly, we believe that Regional Council should strengthen the position of committee chairman. By making the chairmen functional heads of their respective regional departments, council could ensure that several of their numbers would develop strong executive identification with regional activities and be held to account for defending their programs in public.

Under the structure of decision making that we are proposing there would be a chairman of finance, engineering, health and social services, planning, police, and personnel and administration. We doubt that personnel and administration or finance would require full-time chairmen, but certainly more actively involved ones. The chairmen of the major committees should receive a salary of at least \$15,000 and of finance committee perhaps \$10,000. In the case of personnel, there would be no requirement for extra involvement, time, status or pay. Thus, we are proposing that \$70,000 more annually be spent on chairmen’s salaries. The support staff for these chairmen should be supplied from existing departmental staff.

We acknowledge without apology that these chairmen would be virtually full-time politicians. They would not simply be chairmen in the Roberts Rules of Order sense. In fact, they would be more like ministers for their departments. Senior staff would be no less valuable and would be right-hand men for their respective chairmen.

Apart from the obvious advantage of having stronger committee chairmen, it would make councillors responsible for their own activities and the activities of council. It has several other attractions.

- It relieves from an overburdened regional chairman some of the executive duties of running a large government.
- It provides the beginning of something akin to ministerial

responsibility.

- It removes the threat of staff actually running the Region and puts executive control where it belong – with politicians.
- It relieves staff of the role of advocates to the public for regional programs, a role they should not have been performing in the first place.
- It provides an excellent training ground for councillors who may have a desire to be chairman.
- It allows a generalist politician to get “on top” of a subject field and thus overcome the suspicion that politicians are “being snowed” by staff.
- It allows for an informed regional political presence at major public meetings and on major regional committees, i.e. Social Resources Council and Heritage Foundation.

**Recommendation 6.15: That the chairmen of the major regional government committees become full-time politicians with offices in the departments for which they are responsible and receive pay commensurate with their duties.**

**Recommendation 6.16: That committee chairmen “carry” their departments’ business to council, explain it to the public and ensure that their departments follow council’s decisions.**

## Administrative Issues

Throughout the course of this study this Commission has tried to focus on problems and concerns of a practical nature and to avoid insofar as possible the more esoteric issues. This chapter is perhaps the most prosaic and down to earth of the report. There are a number of items of administrative practice which, as they are now being performed, either frustrate the effective operation of local government or else waste considerable money.

Some of the problems raised in this chapter can be solved easily. In fact, in at least one case, some effort is now being made to do so. Others are more difficult, but important nonetheless.

### Assessment

Perhaps no subject has been so completely discussed as the inequalities of assessment in Waterloo Region. In our research publication *Issues in Municipal Finance*, we documented the extent to which properties in this Region are inequitably assessed. Some residents are paying vastly higher taxes than other residents with practically identical properties within the same municipality. The inequalities are so pervasive and so major as to undermine the legitimacy of the government which exists through those taxes.

We have heard a great deal of the Province's failure to introduce reassessment. For the last nine years the Province has had a variety of deadlines for introducing this change. That the problem is complex and difficult is certain. That the Province alone cannot be held to blame for the inequities or the failure to remove them is equally certain.

The inequities were created originally by disjointed, unreasonable, local assessments. In recognition of the "mish-mash" of assessments which existed across the Province, the Province took over the function of real property assessment in 1969. By 1979 it is obvious to all observers that the Province alone cannot solve the

problem. Although technically every property in Ontario could be reassessed immediately, politically and practically, it is impossible. Municipalities in Ontario, or more correctly, many municipal politicians have been unwilling to join the Province in accepting political responsibility for raising the taxes of a significant portion of the population in order that property taxes might be equitable. That the Province has not proceeded in the absence of solid municipal support is neither surprising nor unreasonable.

It would appear that a solution to the assessment problem is still some distance away, although the first major step in removing inequalities is taking place this year in the Region in all municipalities but the City of Waterloo. Inequities between properties within any one class of properties will be removed this year, not by the Province, but through the actions of the local councils. The councils of these municipalities are to be commended for their action in this respect, particularly in the City of Cambridge and the City of Kitchener where dislocations will be fairly major.

As an aside, we would strongly urge municipal councils to make very clear why taxes will increase in some residences in the next year or so. It will be very tempting indeed to blame property tax increases on the Region or the Province or some mysterious factor rather than acknowledge that some people are paying more because of a decision of the local council to make taxes more equitable.

**Recommendation 7.1: That the Province continue to work towards a uniform assessment system across the Province and that inequities between classes of property in Waterloo Region be removed as quickly as possible.**

## Provincial Reporting Requirements

This Commission had great difficulty using the financial information returns which the Province requires municipalities to submit annually. We appreciate the necessity for occasional changes in the format of these forms. Nevertheless, we believe that in recent years the changes have been so capricious and so frequent as to make those forms almost useless for anyone who wishes to compare the activities of one municipality over a period of time. Pages 77 to 79 of the *Financial Data Base* outline the changes we had to make in order that 1969-1976 statements be comparable. Even to discover

the changes that had to be made was a problem. Without help from the Local Government Division of the Ministry of Intergovernmental Affairs, we would probably never have found all of the adjustments.

As municipalities become more sophisticated and taxpayers become more anxious to have some standard against which to measure the performance of their municipalities, the financial information which is available to them must also increase in sophistication and complexity. Rather than making periodic and minor changes in the financial report format which make the data incomparable from year to year but not sufficient to provide the depth of analysis required for meaningful intermunicipal comparisons, the Province would be well advised to establish a Province-wide municipal financial information system. Some years ago an attempt was made to generate such a system and it showed great promise. However, its development proved too expensive and was halted. There is in our opinion a happy medium between the highly sophisticated performance measurement system envisioned in that approach and the present inadequate financial returns. We suggest that the Province revive its attempt to develop a comprehensive municipal financial information system.

Information the Province requires of municipalities is not limited to these annual financial returns. Periodically, various parties have made an effort to determine just what the Province does require municipalities to report to it, and have concluded that there are so many demands that vary so much from year to year, that the process of systematically identifying them is very difficult. We are aware of routine requests for substantial amounts of data from the Ministries of Agriculture and Food, Community and Social Services, Culture and Recreation, Education, Environment, Health, Housing, Industry and Tourism, Revenue, Transportation and Communication, Treasury and Economics, and the Ministry of Intergovernmental Affairs. Other ministries may also make such requests which have not come to our attention.

Most of the information requested is doubtlessly needed and very little of it is duplicated. On the whole, the Province appears to have eliminated much of the duplicated requests that were so familiar to municipal administrators just a decade ago. However, the vast amount of information being generated could be used to far greater effect if it were systematically ordered and available to municipalities and other provincial agencies.



It is only through an integrated information system that municipalities could begin to make reasonable comparisons with other similar municipalities in order to evaluate their relative performance.

**Recommendation 7.2:** That the Province in conjunction with the various municipal associations undertake to develop an integrated municipal information system which would be kept permanently up to date and which would provide demographic, financial, service and functional information necessary or useful to the Provincial Government, municipalities and perhaps even ratepayer groups and private industry.

**Recommendation 7.3:** That only information which is of a strictly confidential nature be excluded from such a system.

**Recommendation 7.4:** That before any ministry or provincial agency requests data of any municipality or municipalities it ensure that those data are not available through the central municipal information system.

## Co-operative Services

During the course of this Commission we became painfully aware of the vast amount of money which could be saved through improved co-operation among municipalities. It may be that this relative lack of co-operation contributed to the frustration and difficulties of ratepayers in dealing with government. We suggest that there are four ways in which local governments in Waterloo Region can reduce duplicated costs and improve services to the public. They are:

- establishment of a purchasing co-operative;
- establishment of a computer co-operative;
- establishment of a joint regional administrative headquarters;
- development of a "one window" approach to serving the public.

### Establishment of a Purchasing Co-operative

In an excellent study carried out for this Commission by Bryan Isaac of the Municipal Administration Branch of the Ministry of Inter-governmental Affairs, a proposal for the establishment of a joint

purchasing co-operative among public agencies in Waterloo Region was developed. In 1977 local government authorities in Waterloo Region spent \$93 million on the purchase of goods and services. The purchasing study suggests that this huge expenditure is made without sufficient organization and at a price that is higher than necessary. It indicates that a few organizations do not even know what it costs them to purchase goods, and practically none has a method to judge how well it is doing in obtaining value for its purchasing dollar. It also notes that this area is blessed with several excellent and professional purchasers in the service of local government and that with proper organization these people could achieve startling savings to the taxpayer.

This Commission has heard extensive discussion on the subject of that report. We are indeed gratified to discover that some twenty representatives of various local government authorities recently met to discuss the establishment of a purchasing co-operative. Indeed, if only a fraction of the items which the purchasing study identified as prospects for joint purchasing were purchased through the co-operative, the cost of this Commission would be completely offset in very short order.

**Recommendation 7.5: That the efforts toward the establishment of a purchasing co-operative continue and that all local government authorities within the Region of Waterloo examine the benefits of participating in such a co-operative.**

### **The Establishment of a Computer Co-operative**

The Commission also undertook a study of the use of computers within the Region of Waterloo. Our researcher produced a massive and detailed report that concluded on an ominous note. The report suggests that unless the direction being followed by the individual municipalities and public service agencies in this Region changes dramatically in the next decade, \$11 million more than is necessary will be spent on computers. It finds that, with a little more organization and forethought, local governments could make better use of their computers, use them for more purposes and still spend less than they would if they followed the courses they are now on. It also noted that if the universities were included in this analysis, the savings would be even more startling.

The study's conclusion is basically that each municipality pursuing its own electronic data processing objectives by itself might indeed achieve the lowest per unit price that such an organization could achieve. However, with a substantial investment, all of the organizations working together could achieve considerably greater economies.

The discussion which followed the publication of this research report was active indeed. It raised two kinds of questions — one relating to the accuracy of the report and the second questioning its direction. The challenges of accuracy were essentially on matters of detail and no substantive errors were reported to us. The challenges of direction suggested that technology was changing so rapidly in the computer field that it was impossible to judge with any accuracy what the situation was going to be in a decade. Indeed, it seems that the obstacles to the establishment of a co-operative in the computer field are far greater than those in the purchasing field. However, it is our view that whether municipalities in the Region are prepared to undertake the capital investment required to get a computer co-operative off the ground in the very near future, co-ordination in the use of electronic data processing equipment is essential.

We are pleased to note the recent decision of the Regional Council to continue to use Kitchener's computer facility because the loss in revenue to Kitchener would have far exceeded the savings to the Region if it had purchased its own computer. For the first time we see evidence of such a decision being made on the basis of total cost to the taxpayer rather than on the basis of cost to one organization.

**Recommendation 7.6: That a steering committee be established among the various local government authorities in the Region of Waterloo who use electronic data processing, to ensure that the purchase of any new equipment by any of the authorities in the Region is compatible with the equipment in the possession of other authorities so that a computer co-operative may be established in the future.**

**Recommendation 7.7: That efforts towards the establishment of a computer co-operative be started through this steering committee and that insofar as possible the technological obstacles be evaluated and overcome.**

## The Establishment of a Joint Regional Administrative Headquarters

Yet another study undertaken by the Commission indicates that the various upper-tier organizations in Waterloo are spending far more separately on their accommodations than they would spend if they built and shared a regional centre. The study suggests that about two and one-half million dollars could be saved over the next decade based upon the present expectations and costs of accommodation for the Regional Municipality of Waterloo, the Waterloo County Board of Education, the Waterloo County Separate School Board, the Grand River Conservation Authority and the Family and Children's Services.

It acknowledges that some of these organizations would in fact pay lower accommodation costs to stay in their present facilities and recommends that, until such time as they require new facilities, they do so.

It also points out that the Regional Municipality and the Waterloo County Board of Education are both looking for new accommodation in the very near future. In fact, since the research report was written, the Board of Education has announced plans to proceed with the construction of a new headquarters. If both the Region and the Board of Education settled in one centre, preferably near the centre of population in the Region, there could be several advantages.

- Being located outside of the downtown areas of Kitchener, Waterloo and Cambridge but on or near a major traffic artery between Cambridge and Kitchener, such a centre would provide a much needed focus for regional identity. With minor modifications to transit routes it could be easily accessible to all urban residents in the Region.
- A few years ago the Region had an opportunity to purchase land and buildings on the site of the present K-Mart operation on Highway 8 between the Grand River and 401 for its headquarters (see *Space Saving: An Examination of a Regional Headquarters*). Such a proposal would allow for the gradual introduction of local government authorities to the centre as leases ran out or buildings were sold.
- The convenience to the public of having most regional facilities in one building would be substantial. The Commission has heard a great deal from various people who have been frustrated by the requirement to travel over a considerable



geographic area to deal with agencies such as hydro commissions, police commissions, school boards, the Region, the Conservation Authority and other organizations involved in such matters as land development, licensing and social services.

- Such a centre would develop some feeling of regional identity. Waterloo County has been an identifiable area for more than a century and a quarter. It would be unfortunate if this traditional identity is lost. The artificial fragmentation of the regional focus among several buildings threatens to do this.

**Recommendation 7.8: That the Regional Municipality, Waterloo County Board of Education, and other upper-tier authorities in Waterloo form a committee to investigate the alternatives for the construction of a Regional Administrative Headquarters in the vicinity of Highway 8 or the new alignment of Highway 8 between 401 and Fairway Road. Further, that until such time as this proposal has been explored, the Board of Education defer any attempt to acquire a site independently.**

### **“One Window” Servicing**

The Commission over its eighteen months of intensive investigation has become intimately familiar with virtually all aspects of local government administration in this Region. We have been very favourably impressed with the calibre and dedication of municipal civic servants and with the breadth of knowledge and ability to understand the complexities of the system which they displayed. It is disconcerting that many members of the public complained to us about unco-operative, and uninformed civic servants. At first glance there appears to be an inconsistency between our observation and the observation of many residents of the Region. We believe that we are correct in our favourable evaluation of municipal staff but that, to at least some extent, the residents who are greatly frustrated by red tape and being moved from one bureaucracy to another also have an accurate view.

Many day-to-day activities of people in this Region are regulated by government. It is perhaps unfortunate that this is the case and indeed there may well be some possibility of removing some regulations. In fact, in other parts of this report we have suggested



the removal of several approvals and unnecessary steps in the land development process. However, it is inevitable that for the foreseeable future, governments, particularly local governments, will be required to control the activities of people that affect others. It is only reasonable that every effort be made to ensure that our regulatory processes be as painless as possible.

The Provincial Government presently has a Customer Services Committee which is attempting to come to grips with provincial regulations and controls. We would suggest a similar effort at the municipal level is overdue, particularly in the fields of licensing, permits, land-use controls, social services and grant applications. It should be possible to develop a format whereby a resident of this Region can enter any municipal office and find out from whom approval is required for his various activities.

It should not be beyond the realm of possibility that, in the near future, that resident could even receive all the forms and instructions that any local government organization would require of him and be able to return them to any municipal office in the Region. The co-operation and communication that such a system would require would be a small price for the reduction of frustration in residents of this Region.

**Recommendation 7.9: That the municipalities establish a customer services committee for the purpose of developing a “one window” system wherein a resident can obtain information, forms and approvals for all local government authorities from any municipal office.**

**Recommendation 7.10: That the Province or one of the municipal associations work closely with this committee in order to develop a prototype which may be of use in other areas.**

## Education-Municipal Relations

### Tax Billing

One of the longest standing disputes between boards of education and municipalities is the question of how the boards receive their revenue from the property tax. At the moment, the boards simply bill the local municipalities according to their assessment. The local

municipalities pay the boards' requisition and add the boards' levy to their property tax bills.

Apart from our distress that there are several separate tax levying agencies in the first place, this seems to us a sensible practice. However, from time to time, representatives of both education authorities and municipalities see fit to propose changes to this system to overcome "problems".

Many local councillors argue with some validity that they are blamed for all property tax increases because the local municipality sends out the tax notices for all taxing agencies (local, regional, public and separate schools). This, they claim, is particularly annoying because the local level represents only a small proportion of the tax bill (about 20% annually). Most of the remainder goes to the school boards.

Education trustees, on the other hand, complain that the local municipalities blame them for tax increases they cannot control and use their administrative responsibility for the tax bill to interfere with education. Further, the municipalities, it is argued, earn interest on funds they levy for school purposes but do not have to pay to the boards right away.

Recently, these and similar arguments have been prevalent in the Waterloo area. They are, on the whole, unconvincing and narrow arguments that should be put into perspective.

The reason the local municipalities levy all tax notices is because it is more convenient to the taxpayer and far less expensive to have "one window" tax billing. The cost of levying and collecting taxes as well as the costs of trying to collect tax arrears are high. To have two or three tax-supported organizations using tax money to pursue the same taxpayers for funds based on the same property would be unconscionable.

That the local municipality might incur higher costs because of having to collect taxes for other bodies is possible. That the local municipality might earn some interest on the taxpayers' early contributions of education taxes is possible. That local councillors receive some unjust criticism and education trustees face less criticism because property taxes are associated with local council is probable. None of these justifies placing an extra cost on the taxpayer through duplication, triplication or even quadruplication of the number of tax collecting agencies in the Region.

## Use of Facilities

The taxpayer is on the losing end of another education/municipal debate as well. School buildings are public property and should be available to the public when not needed for education purposes. Most (but not all) people agree with this viewpoint. However, two points of contention quickly arise: how to define when the facilities are not needed for education, and how to pay for the costs of public use of the facilities. We cannot resolve this debate except through the somewhat radical course outlined on page 280 of Chapter Thirteen of this report.

However, we tend to sympathize with the municipal councillors on the first of these disputes, and with neither body on the second. It appears to us that for the sake of administrative convenience and to guard against unexpected needs, fewer facilities are made available to the public for fewer hours than possible. We are, however, aware of the great amount of deliberation that has taken place on this very point and will not dwell on it.

When it comes to paying for the use of the facilities, we see no reason that the public should not have access to buildings which they paid for, at rates which would not be prohibitive to the poor. This doubtlessly means that they will have to absorb some of the costs. The argument that the school board is not in the community services business is simply invalid. Once the school board taxes the public to build a school, it has a very real responsibility to provide every opportunity for public use of the facilities even if it means spending some money to do so. On the other hand, for the local municipalities to take the stance that they have no interest in assisting in reducing or defraying the costs to school boards of making facilities available is equally wrong. Regardless of who owns the facilities, the public should be accommodated even if it means one body absorbing costs it believes are "rightfully" another's. As far as the man paying taxes is concerned, that dispute is simply an accounting problem.

**Recommendation 7.11: That until the education/municipal relationship is rationalized, the local municipalities should continue to collect education taxes.**

**Recommendation 7.12: That education authorities make every effort to provide a maximum number of education facilities available to the public, and that the school authorities and municipalities arrive at a cost-sharing**

**agreement to make this feasible. In any event, the school boards must not limit community use of schools in the absence of such an agreement.**





# PART FOUR

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## Functions

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# Protective Services

## Introduction

Local government provides four services which can be grouped under this heading: police, fire, protective inspections and emergency measures. We have found no structural or systemic problem in the fire or emergency measures functions, nor have we received complaints about them. Accordingly, we have neither comment nor recommendation in relation to them.

The operation of the inspection services has been raised on a few occasions to us. No problem was apparent in the way municipalities carry out this function. Rather, we encountered concern that there was considerable overlap among the several federal, provincial and local inspectors which periodically descend on businesses within the Region. We decided that an investigation of this issue was beyond our terms of reference and we simply report that an effort to rationalize property-related inspection programs would be worthy of consideration.

## Police

The police function, on the other hand, has come up frequently in our research. (See *Decision Makers, Operational Summary, Police Governance in Waterloo, Analysis of Computer Use, Purchasing, Financial Data Base, Public Attitude Survey*.) The study *Police Governance in the Region of Waterloo* was released on January 5 and was rather actively discussed in the media and in conversations between ourselves and people who wished to comment on it. The study has, in our opinion, survived intact and its findings have been supported almost universally.

The police force in the Region of Waterloo is basically an excellent force. Any difficulties it faces (i.e. low crime clearance), we believe can be overcome through good administration.

Policing in Waterloo is more consistent than under the previous system. It provides a better standard of service to the rural and small urban areas and at least as good a standard to the cities. Further, its advances in communications, criminal intelligence, youth work, and other fields have been considerable. We believe that police service should continue to be administered at the regional level rather than the area municipal level.

The recent difficulties and apparent excess of zeal on the part of some police officers can be traced to the inability of the present police governing structure to come to grips with community demands on the one hand, and the limitations of a police force on the other. "Coming to grips with community demands" is what local elected office is all about, and what politicians, in the best sense of the word, are good at.

The arguments for "keeping politics out of police" are largely fraudulent. No matter how the system is structured, the police governing body must ultimately be responsible to the public – that is accountability and that is politics. The present system where the Provincial Government, elected through a party system, appoints the majority of police commissioners is every bit as "political" and more potentially dangerous than a situation in which a government composed of twenty-four separately elected individuals with at least three different political stripes and seven different factions appoints the police governing body.

Recent allegations of impropriety against provincially appointed police commissioners in York and Halton suggest that no structure is immune from such accusations.

The "horrible examples" of municipal control of the police in the United States also represent largely fraudulent arguments. First, most of the "horrible example" relates to the power of strong mayors to control the police. No mayor in Canada, including the mayor of Montreal, has the kind of power, prestige or office that the strong mayor system in the United States provides. Second, the "horrible example" is not as horrible as some would have it. The incidence of police corruption in the United States is low.

We note in passing that British police forces, with which Canadians tend to feel greater kinship, are in fact responsible to municipal councils through a statutory advisory committee.

The argument that a police commission is required to provide direction and management to the police force is suspect. First,

managing the police force is little different from managing any group of highly trained professionals. The fact that a police officer must carry out his duty without fear or favour does not eliminate the need for good management. The ability to make good use of computers, to buy materials effectively and at low cost, to schedule the shifts to maximize efficiency, to reduce lost time, to maintain cars and equipment at a high level and low cost, to establish and monitor realistic performance objectives – these are the features of good management. This kind of management is much more likely to come from professional managers than from well intentioned lawyers, judges and other police commissioners.

Second, the giving of direction to the police force is a political act. It is not a partisan nor a corrupt act, but a political act. It means telling the police force where to concentrate its activities. It means deciding whether there will be more or fewer foot patrols, rural patrols, door checks, spot checks, and detachments. It means essentially defining what priority the community wishes its police force to give to which areas.

Giving direction to the police force does not entail telling a policeman how to behave in a particular situation. The *Police Act* is very clear on that point. When it comes to deciding what to do in a given situation, the policeman is an officer of the crown and not subject to direction insofar as his duties concern the apprehension of those who have violated the law.

A recurring argument for maintaining a provincially dominated commission is that Regional Council is too close to the people. If the Region ran the police, it is argued that there would be problems of councillors being approached by neighbours for “favours”. The argument continues that to safeguard against this, the Province should appoint the bulk of the commission.

There are three problems with this argument – apart from the irony that the Regional Council which has been damned from all sides as too remote, is for this purpose “too close to the people.” First, even if councillors were directly responsible for the police force, they could not grant favours if they wanted to. Any policeman worth his salt would charge a councillor who intervened in a case. As the average police officer’s level of education and knowledge of the law continue to increase in keeping with his level of remuneration, he will become increasingly aware of the limits of the power of his superiors.

The second problem is that, if there are policemen who would



capitulate to their employers, the appointed commission is more dangerous than an elected council. The commission, even though it is largely appointed by the Province, consists exclusively of residents of the area. They are just as subject to approach from neighbours, just as unlikely to interfere with the police and just as likely to be rebuffed by the policeman if they did. However, a rebuffed police commissioner can make life a great deal tougher for the officer who did his job and rebuffed him than could a councillor who must function in the glare of public scrutiny.

Finally, we firmly believe that regional councillors would be only too happy to draw a clear line between their responsibilities and those of the police force itself. Councillors must devote their "community" time to issues other than police. They must have time to shoulder true political responsibility, but they do not have time to meddle. Furthermore, a well advertised distinction will make the councillor's home life easier. He will want his neighbours and relatives to know that he cannot "fix" tickets or falsify the breathalyzer results. Most importantly, municipal councillors are virtually, without exception, men and women of integrity. They believe in the effective and impartial enforcement of the law, no less so than the population whom they represent. And if the population did not by and large believe in effective and impartial law enforcement, such enforcement would not be possible, even for the most upright and judicious police commission.

As an aside at this point, we fail to see the necessity for members of the judiciary to be involved in police governance. Such a requirement would seem an unnecessary use of their scarce time and an imposition upon the beleaguered gentlemen of the bench. As the hoary dictum would have it, moreover, "justice must not only be done, but must also be seen to be done." For this reason, we have some reservations that a member of the judiciary may have an unwitting conflict of interest if required to supervise the police as well as to perform his foremost responsibility which is to adjudicate the charges which those same police lay before him. This point of view was expressed by the McRuer Royal Commission on Civil Rights in Ontario, the Ontario Law Reform Commission and by three separate minority reports submitted to the Task Force on Policing in Ontario.

Policing is one of the few services for which the Province has not provided a conditional grant. Thus, it is one of the few services that is paid for out of the property tax exclusively. (The Province

does provide a grant of \$15 per head to any region with a regional police force, but it is given no matter what is spent on policing. The net effect is that decisions on police spending are decisions to spend local money.) It is also one of the few services for which municipal councils could be fully accountable.

Any conditional grant for policing would be a step in the wrong direction from the point of view of almost any principle of good local government. On the other hand, the placing of police responsibility under council would be a step in the right direction.

The problem this poses for the Province is this. There are really only three ways that the Province can ensure that local services meet provincial standards: conditional grants, appointments and regulations. If the Province stops appointing police commissioners and does not pay conditional grants for policing, the only method open to it to protect the provincial interest is regulation.

This, we submit, is sufficient. The Province's interest in police is to ensure that the laws of the land are administered in an impartial and consistent way throughout the Province. The powers of the Ontario Police Commission (O.P.C.) and the rigidity of the *Police Act* protect that interest effectively. The recent unanimous dismissal of the local chief of police by the local police commission on an O.P.C. recommendation, despite strongly divided public opinion, illustrates this power dramatically. Provincial intervention in the form of an Ontario Police Commission enquiry is a proper form of provincial/local relations regarding local policing. In this regard we would note that the regional police commissioners have staunchly held that they are not subject to provincial control or influence in their decision making. The inescapable conclusion is that the appointment of police commissioners is **not** an effective means for the Province to protect its interest, nor should it be.

As a final comment on this point, we would ask that the Province of Ontario be restrained and realistic in defining its interest in Waterloo regional policing, and in considering any proposals such as introduction of a conditional police grant. The people of this Region will certainly not cut or eliminate their excellent police force in the absence of such a grant.

Before proceeding to recommendations, a final problem must be addressed. Even some councillors have suggested that police governance would be too much additional work for Regional Council. We reject this contention with three observations.

First, councillors must simply devote the time necessary to assume important responsibilities on behalf of their community. There is no denying that the workload may increase, but we have made a number of recommendations which we expect will help the situation, including:

- An expanded role (with pay) for regional committee chairmen, of which police would be one.
- A moderate expansion of the number of regional councillors available for committees.
- Election of regional councillors directly to Regional Council as well as local council in the expectation that more of the regional councillors' attention will be devoted to the regional level.

Having made these recommendations, we cannot sympathize with the point of view that Regional Council cannot afford the time to provide policy and budget direction to the police force. If councillors themselves do not stand up for the importance of municipal government and elected office, how can the public or the Provincial Government be expected to take it seriously?

Second, the depth of involvement which may be characteristic of the present Police Commission will not be required of Regional Council. An emphasis on a more professional management approach to the Police Department is evident in such recent studies of that department conducted by Peat, Marwick, management consultants. Furthermore, the integration of the police force as a regional department will enable the Regional Finance, Solicitor's, and Personnel Departments to assume much of the load from the police governing authority, and almost certainly save money as well.

Third, we are certainly not suggesting that the full Regional Council be burdened with all decisions relative to the police force. It is very important that the Regional Council appoint a Police Committee. To this committee, the Regional Council should be empowered to pass a good deal of authority, except annual budget approval. The "buck," however, should clearly belong at Regional Council. Council should retain the right to make any decisions on police policy, and the Police Committee should in practice refer certain types of decisions to the full council. Recent experience suggests that the hiring and firing of police chiefs is a decision of the latter type. Furthermore, council should not be content with just budget control of police. Authority to determine how much the public

spends for police service must entail responsibility to answer for how much service the public receives for that money.

We also see no objection should Regional Council decide to appoint community volunteers to the Police Committee for their special expertise or interest. However, such volunteers should **not**: (a) be mandatory; (b) be eligible for committee chairman; (c) outnumber councillors; (d) lead to an unwieldy committee size.

**Recommendation 8.1: That the Council of the Regional Municipality of Waterloo be responsible to provide municipal policing in the Region, and that the Waterloo Regional Board of Commissioners of Police be eliminated and its powers be vested in the Regional Council.**

**Recommendation 8.2: That the Council of the Regional Municipality appoint a Police Committee to advise the council on matters of police budget and policy, and to perform any aspects of police force management that may be delegated by the Regional Council.**

**Recommendation 8.3: That the Regional Council consider appointing private citizens to the Police Committee, provided that such people not be eligible for the position of committee chairman and not outnumber councillors.**

**Recommendation 8.4: That no conditional grant for municipal policing be introduced. Further, that the difference in the unconditional grant between regional and non-regional areas be maintained because of the higher quality of criminal intelligence and other services and because of the savings to the Province through reduced Ontario Provincial Police costs.**

# The Physical Services

## Introduction

The “hard” services have been at the heart of local government since its inception. This rubric covers roads, sidewalks, street lighting, transit, water, sewage, hydro, industrial development, and commercial development. Many of these have been the source of concern to councillors and others with whom we have spoken.

Accordingly, this chapter has five sections:

- Road Construction and Maintenance
- Hydro Electric Distribution
- Industrial Development
- Sewage Treatment
- Water Supply and Flood Control

We have not commented upon or made recommendations concerning the other physical services.



## Road Construction and Maintenance

### Introduction

The subject of how to cope with the problem in the administration of municipal road responsibilities has been among the most troublesome to this Commission. There are a number of weaknesses in the present system. In some cases we have come to believe that the alternative may cause more dislocation than the present system. Below, we recapitulate the problems as we see them, and lay out the recommendations upon which we have settled.

There are four problems with the current division of road responsibilities:

- The Regional Council inherited a rural road system and assumed a number of major roads in the cities as well as sections of provincial highways. In total, the regional road system exceeds that which properly serves an intermunicipal purpose.
- The Region maintains the major roads in the townships while the townships maintain local roads. This results in some duplication of men and equipment, and some dispute about which roads should receive priority for maintenance operations such as snowplowing.
- The cities maintain all roads within their boundaries (with a few outlying exceptions) and charge the cost of maintenance of regional roads to the Region. The difficulty here is that the Region has no control over the costs charged to it by the cities and there is evidence of charges being heavily weighted against the Region. For the Region to supervise local work more closely, however, imposes an extra load on the taxpayer.
- The system of provincial road subsidies has tended to distort local spending priorities and therefore aggravate regional/local relationships and certain road deficiencies.

### The Regional Road System

The Regional Municipality assumed its road maintenance responsibilities in two stages. It inherited in 1973 the road system which was previously the responsibility of the County Council and three Suburban Roads Commissions. By and large the regional road

crew still maintains these roads. In 1975 the Regional Council assumed an additional network of roads in Cambridge, Kitchener and Waterloo, as it was empowered to do under the *Municipality of Waterloo Regional Act*. This network includes most of the main streets in each city, including a number of former provincial highways.

Why is the Regional Municipality in the road business? As in other areas of responsibility, we believe there to be a valid function for the Regional Municipality where the importance of a certain road extends beyond a single area municipality. The most effective way to ensure a consistent standard of design maintenance on a road which passes between municipalities is to place that road under a single authority. Otherwise, a road could theoretically change from good highway to goat track to good highway again as it crossed boundaries.

Given this limited view of the appropriate regional road responsibility, we are strongly of the opinion that the Regional Municipality now controls more roads than is necessary. Certainly, an examination of the traffic volume map of the regional road system raises doubts about many of the roads inherited from the County and from the Suburban Roads Commissions. Many have rather low traffic volumes which stretch the concept of "a significant intermunicipal connecting link" rather thin.

It is the Commission's view that criteria for both urban and rural regional roads should be developed and adopted by the Regional Council. Those roads presently designated regional but not meeting the criteria should be reverted to the area municipalities.

Such criteria should emphasize the intermunicipal importance of any section of road. Council would do well to accept only those sections of road in any area municipality for which it can be demonstrated:

- that a significant proportion (as defined by Regional Council) of the traffic on that road is going to or coming from another municipality, and
- that it carries a high volume of traffic in either an urban or rural context

Needless to say, the criteria adopted by Regional Council must take account of projected origins, destinations, and volume of traffic in future years.

This, we believe, would result in a drastically reduced but more

obviously necessary regional road system. In the event that the resulting mileage of roads to be reverted to any area municipality was sufficient to cause an undue burden, the reversion should be scheduled over a number of years at Regional Council's discretion. This would enable the area municipality to obtain the necessary men and equipment, and enable the Regional Municipality to effect a corresponding reduction in its maintenance force by attrition.

**Recommendation 9.1: That Regional Council establish and adopt a set of criteria with which to re-evaluate the regional road system, emphasizing the demonstrated and projected intermunicipal significance of those sections of road which should be regional responsibilities. That the regional roads which do not meet the criteria be reverted to local control, in a staged fashion, if deemed necessary by Regional Council.**

### **The Maintenance of Regional Roads in the Townships**

That a single jurisdiction, i.e. the Regional Municipality, is needed to plan, construct and generally monitor the level of traffic service on a major intermunicipal road is clear. That such a jurisdiction must perform the day-to-day maintenance operations on such a road is not as clear.

There is a trade-off to be considered. Does the benefit of consistent maintenance, such as a single long run of the snowplow which ignores municipal boundaries, outweigh any advantages to delegating the maintenance of such roads to each area municipality. These advantages include: (a) eliminating any overlapping activity by local and regional crews and equipment; (b) augmenting the mileage of roads to be maintained locally, so that some specialization of staff and equipment is economically possible; (c) enabling services above a minimum standard to be provided and paid for to local desires; (d) taking advantage of the naturally greater access of residents to politicians and responsiveness to localized complaints at the area municipal level.

Indeed, the Regional Council seems to have decided that the advantages of a single maintenance operation in each city, by city crews, is worth the risk of maintenance operations which are occasionally unco-ordinated at municipal boundaries. The cities maintain regional roads within their boundaries on contract to the

Region. The research report for this Review Commission entitled *Roads and Transportation in the Waterloo Region* seriously considered the possibility of extending this practice to the four townships. At this point, however, we are not able to recommend that the township municipalities be given authority for maintenance operations on regional roads. This is so for several reasons.

1. Opinion among the township councillors and staff who gave us their reaction was, at best, divided on the value of such an alternative. The council of the Township of Woolwich, in fact, signified that it preferred the present division of responsibilities.
2. We can offer no assurance that the total costs of road maintenance would, in fact, decline significantly upon the elimination of the regional road crew. Proper exercise of the responsibility by the townships would require them to make additions of equipment as well as engineering, supervisory, and operating staff, such that the net savings might be small.
3. We are not convinced that the problem is sufficiently severe that the townships are seriously interested in doing the job. Despite some complaints about regional roads, if the townships had to accommodate regional roads into their schedules, a decline in the priority which they now have the luxury to give to local roads would be likely. Bearing more cars, the regional roads might require a standard of service and create a potential for headaches which the townships would not be prepared to accept.
4. We have recommended that the regional road system be pared down as much as is reasonable. This would automatically give more local control over the road system in each township.
5. If a road crossing a municipal boundary is to serve a successful intermunicipal function, its maintenance can only be left to the two area municipalities on condition that each has an interest in getting cars to and from the other. This assumption, however, is not true for all the roads which serve a legitimate intermunicipal purpose. Take, for example, Regional Road 5 from Wellesley village to Phillipsburg in Wilmot Township. If serving only Wilmot Township ratepayers, Wilmot would accord a low priority to the maintenance of this road. For Wellesley residents, however, it is a main route to work in Kitchener-Waterloo. Unless Wilmot could be compelled to keep up a certain standard of maintenance, or unless the Wellesley crew were to assume road maintenance responsibility miles inside Wilmot, maintenance by the Regional



Municipality would be necessary.

6. Finally, the simple disruption of such a change must be considered. A complex arbitration concerning regional equipment, housing, and staff would be necessary. The delegated arrangement for the maintenance of regional roads in the cities had the advantage of "starting from scratch" in 1975.

**Recommendation 9.2: That no change take place in the operating responsibility for regional road maintenance in the townships. As a long-range objective, however, we would suggest that Regional Council keep in mind for future consideration the possibility of delegating regional road maintenance to all four township municipalities.**

### **Maintenance of Regional Roads in the Cities**

The Regional Municipality now contracts the maintenance operation on regional roads back to the city in which the road is located. There are some indications that this system has not been working well due, for the most part, to a lack of co-operation between staff at the city and regional levels. It is our understanding, however, that a co-operative attitude has now emerged.

There remain problems, however, with the quasi-contractual arrangement now in use.

1. It is politically impossible and perhaps unnecessary for regional staff to supervise the city staff which is carrying out the work.
2. The Regional Municipality does not have full cost control over the road work for which it is billed by the cities.
3. It encourages a certain amount of "buck-passing" by the city councils to the Regional Council (although city councillors predominate on the Regional Council) because the Regional Municipality still governs the level of funding which it will authorize.
4. Irritation arises because regional priorities are not identical to local priorities. Each city tends to believe that the Region should simultaneously pay for repairs on all the regional roads in that city.
5. It introduces confusion for the public. It is extremely difficult to understand why one road is regional while the one beside it is local.

We believe that the answer is straightforward, although certainly not without problems. The Regional Council should be empowered to delegate to area municipal councils formally and outright the operating responsibility for regional road maintenance. In this case,



the Regional Council should delegate to the pertinent city council the maintenance of its regional roads at least within the urbanized area of each city (recognizing also that the regional road system may be smaller than it now is). All costs of maintenance and repair would fall to the city councils, as would the responsibility to meet citizen demands, determine service priorities, and so on.

The apparent simplicity of this proposal masks some decided disadvantages.

1. Road system management is a cyclical process involving planning, construction, maintenance and re-thinking. Regional councillors and engineers would have a less effective capacity to implement and update road system plans if they were not monitoring maintenance problems and costs.
2. Regional engineers naturally wish the regional road construction program to stretch the regional dollar as far as possible. However, a road upon which costs have been spared in construction is likely in the long run to cost more to maintain. If the cities were paying for maintenance, the Regional Municipality could cost the cities money.
3. City councillors and engineers naturally wish to stretch the city road dollar as far as possible. However, a road which is poorly maintained will slow and alter the traffic pattern and require much earlier reconstruction. By skimping on repairs, the cities could cost the Regional Municipality money.
4. The cities would be not only responsible for their own road maintenance costs, but would continue through the regional levy to support regional road maintenance in the rural areas.
5. Some cities have a disproportionate number of regional roads and would not be happy about absorbing more costs. Cambridge would take back 43% of the urban regional roads, Kitchener 37% and Waterloo 20%. This compares to their present proportion of costs for regional roads of 23%, 46% and 17% respectively.

The fourth and fifth objections can, in our minds, be relatively quickly overcome. We have suggested that the number (and therefore cost) of regional roads in the townships be reduced. The cities now pay 91% of the cost to maintain all regional roads. Under this proposal they would pay 100% of the cost to maintain all roads in the cities, as well as 91% of the Region's road maintenance costs. Once the extra roads are reverted to the townships, however, the burden upon the cities will fall back into line, thus disposing of the

fourth objection. Indeed, we would suggest that criteria for what constitutes a regional road be drawn up and agreed upon **before** the Province is approached for legislation which would permit the delegation of urban regional road maintenance. The remaining regional road system in the rural areas would consist primarily of main feeder links for shoppers and commuters into the three cities. That this justifies a high city contribution will undoubtedly be obvious to city representatives on Regional Council.

The fifth objection need pose no permanent hurdle. The full delegation could be made on the understanding that the rural regional road system would be reduced sufficiently that no city would pay a larger proportion of total road spending than previously. This would mean that while there would be some difference in relative benefit, absolute increases in cost would not be severe. Alternatively, some outlying roads in Cambridge and perhaps Waterloo could be returned to regional maintenance to put the three cities on an equal footing. In the final analysis the cities may in fact bear somewhat higher road costs. This, we believe, could be minimized but it is not sufficient reason to avoid assuming local control.

The three previous objections give greater pause. To some extent, the statement of these issues underestimates the high level of contact and co-operation which has recently developed between regional and city staff and the mutual membership on regional and city councils. More or less costly road construction options are very likely to be brought into the open and debated by city and regional engineers, and brought to the attention of the Regional Engineering Committee and city councils.

Moreover, it is extremely unlikely that any city will obstruct traffic on regional roads in that city by, for instance, keeping only two instead of four lanes open or letting the potholes deepen and multiply. **As long as a significant number of drivers from that city used the road**, the political pressure upon city councils **not** to do so would be irresistible. We realize that the opportunities for "buck-passing" – "Blame the Region; it won't pay for a reconstruction." – would still exist but to a lesser extent than currently.

Finally, certain management practices could be followed co-operatively by cities and the Region in order to mesh the two responsibilities. The Regional Municipality, for instance, could reasonably expect the three cities to use a maintenance

management reporting format which is common among them, sufficiently informative, and regularly available to the Region's engineers. A regular, joint city/regional program of pavement testing and roads needs studies would be essential for regional engineers, transportation planners, and councillors to ensure that their roads were performing and being maintained at the level for which they were designed. Such procedural guarantees could reasonably be imposed by the Regional Council as a condition of undertaking the changes discussed here.

**Recommendation 9.3: That the Regional Council be empowered formally to delegate to the city councils the responsibility to maintain, keep open and in repair regional roads in each city. The city councils would gain full responsibility for maintenance decisions and costs on these roads. As a prerequisite of such delegation the Regional Council should require from city councils such information as it considers necessary.**

### **Other Regional Road Responsibilities**

The previous recommendations should not be construed to indicate that we have abolished a regional road system in the cities. On the contrary, the Regional Municipality would continue to have several important responsibilities.

The first of these is the excellent program of long-range transportation planning which it has carried out in co-operation with the area municipalities. Not only should this planning and co-operation continue, but implementation of our first recommendation concerning a redefinition of the regional road system would mean new tasks for transportation planners.

Second, the Regional Municipality should continue to be responsible for the construction of its own road network. We do not believe savings would result from doing otherwise. This includes laying out and constructing new roads which will be significant intermunicipal links, as well as widening, diverting and reconstructing existing roads.

Third, the Regional Municipality will continue to have an interest in the traffic control features of roads which serve a legitimately regional purpose. Not all roads presently in the regional road system within the cities may serve such a purpose. However, roads which

are legitimately regional, such as Westmount or Highway 8, are designed to move traffic safely, quickly and conveniently into and out of each city. It is quite possible that local residents may have other aims for these roads and may place pressure on their city councils to slow down or divert traffic by means of speed limits, crosswalks or a stop light which are contrary to the regional interest. Therefore, we recommend that the Regional Council retain a power of approval over the installation of speed limits, crosswalks, and stop lights on all regional roads and within 150 feet of regional roads.

The majority of stoplights in the Region are and probably will continue to be on regional roads. The timing of a stop light system is a high-technology subject and one which requires co-ordination within each city and on the main thoroughfares between cities. For the purposes of clarity and effectiveness, therefore, it appears that the Regional Municipality should be responsible for operating the complete stop light system, including installing, maintaining, and paying for the full system, including those not on regional roads. As we understand it, this is the arrangement which now exists, although the Region contracts with the City of Cambridge to install and maintain the lights in that city.

We have heard a suggestion that the Regional Municipality has not pursued the installation of stop lights with the same urgency and priority which Kitchener would have showed. The alternative is to turn the stop light system back to each city, subject to the regional power of approval over the installation of lights mentioned above. We are certainly not opposed to this alternative. On balance, however, we feel that the continuation of a completely regional system has advantages of more specialized service and easier intermunicipal co-ordination.

In order to ensure that the regional road system performs as designed, the Regional Municipality must maintain the power to regulate what feeds into these roads and how. Three tools are sufficient for this task:

- the powers of the Regional Official Plan and its involvement in the community planning process;
- the power to issue permits to those who propose access to regional roads;
- the power to approve the traffic by-laws of area municipalities as they pertain, within 150 feet of a regional road.

This leaves two of the Regional Municipality's existing statutory



powers superfluous – the power to approve all local traffic by-laws, and the power to zone land within 150 feet of a regional road.

**Recommendation 9.4: That the Region's power to approve local traffic by-laws be repealed except in relation to those which apply within 150 feet of a regional road.**

No municipality in Ontario outside a region has to submit its traffic by-laws to anyone for approval. The only reason this provision exists is that it was a power the Province formerly exercised but delegated to regional municipalities. The Province later gave up the power but did not remove the Region's powers.

**Recommendation 9.5: That the legislation be repealed which authorizes the Regional Municipality to pass zoning by-laws regarding land within 150 feet of a regional road.**

The Region has never used this power and does not need it as a tool for traffic control. It simply threatens municipal zoning clarity and accountability and should be removed. This is a real threat when it applies to downtown areas where nearly every property is within 150 feet of a regional road.

### **The System of Provincial Subsidies**

The system of provincial road subsidies is a major source of distortion and conflict concerning road programs in the Region. The local municipalities receive subsidies from the Ministry of Transportation and Communication (M.T.C.) which equal 50% of a subsidizable spending limit established for every municipality by M.T.C. This limit is based upon each municipality's historical road spending trend. At the present time, however, virtually all area municipal councils consider it necessary to undertake road spending in excess of the subsidizable limit.

The Regional study done in 1975 is used by M.T.C. to determine a subsidizable spending limit for regional roads, as well as the rate of subsidy (as a percentage) for which the Region will be eligible. Subsidy is paid on the amount of spending which will upgrade 40% of roads which the needs study finds to be deficient during the five year period. The rate of subsidy depends upon the municipality's ability to finance this volume of road expenditure from local sources. The less is the local ability to pay, the higher is the rate of subsidy. Because the Regional Municipality has a very costly program of road



improvements for the next few years, some of its projects attract M.T.C. subsidy at rates as high as 91% of the cost. Until very recently new road construction was not deemed part of the Region's road spending requirements when determining subsidy. Recently, however, the costs of the University extension in Kitchener-Waterloo, and the east-west expressway in Cambridge have, quite properly, been included by M.T.C. The Regional Council makes it a practice not to spend more on roads each year than is subsidizable.

In the preceding thumbnail sketch, we have hardly been able to do justice to a very complex system which has built up over years of contact among municipal engineers and politicians, and provincial engineers and politicians, and which is close to the heart of the municipal engineer's craft. The system is not without its problems, however, both large and small.

Certain small problems have been corrected. M.T.C. has recently started to include new road requirements as items in determining subsidizable spending limits. It has also dropped the distinction between subsidy for maintenance and subsidy for construction.

A problem arises because subsidies to each municipality are strictly tied to the road system under each municipality's control. This tends to thwart a natural interplay between regional and local priorities. The priorities of the Region are dictated by region-wide needs, i.e., the road in worst shape carrying the most traffic is the Region's number one priority. Similarly, the priorities of local municipalities are dictated by local needs. What often happens is that a deficient road which may not be sufficiently major or sufficiently deficient to be a high regional priority is sufficiently deficient or major to be a top local priority. However, if this road is under the Region's aegis, it cannot be repaired by anyone but the Region and it is not a high enough priority for the Region to spend some of its scarce money on it.

It would be reasonable for the local municipality to upgrade that road with its road budget because it is a high priority road for local residents. However, the Province's subsidy to local municipalities will apply only to roads under local jurisdiction. Thus, to get full impact from the 50% of road revenue raised locally the local municipality is discouraged from any spending on the road which it feels most needs the work. This problem is real and practical. It is at the root of grievances concerning regional roads in Cambridge and Elmira.

Unless local subsidy funds are transferable at local council discretion to regional roads, the cities will be led to place an undue priority on local streets. The evidence that this has already occurred is contained in the discussion in Chapter Four.

The other side of the problem is the effect which the subsidy system has upon the priority-setting ability of the Regional Council. The Regional Council has a "match-subsidy policy" on road spending; that is, it spends only to the subsidizable limit. In effect, since the subsidizable limit does not permit all the immediate road needs to be met, the Region has in past years been allowing M.T.C. to establish its priority for road spending despite the backlog of deficient roads and important projects which it inherited in 1973. It has only been willing to accelerate its road work when its finance and engineering staff has obtained from M.T.C. an accelerated rate of subsidy, as in the case of the current 91% subsidizable projects. This provincial-municipal labyrinth not only undermines the proper responsibility of Regional Council in attempting to set spending priorities, it has placed in jeopardy the acceptance of regional government in some areas.

The grant system distorts not only the large picture of total spending needs, it also causes distortions at a more detailed level. The City of Cambridge has pointed out that the Region will only install a 26 inch stormsewer on a regional road since nothing larger is subsidizable. In some cases, however, a larger storm sewer is needed to drain the area served by the regional road. This Commission fails to see why the Province has to be so deeply involved in every road built in Ontario. Municipal engineers graduate from the same schools as provincial engineers and can presumably design roads as well. We agree wholeheartedly with the report of a recent provincial/municipal task force – the Grants Reform Committee – that all road grants could be deconditionalized without the quality of roads deteriorating markedly. We would go a step farther and suggest that the savings to the Province in accountants, engineers and clerks would be on its own sufficient reason to look closely at deconditionalizing road grants. It is essential that the money-given-for-money-spent approach (closed-ended conditional subsidy) should end.

The Province, it must be recognized, has been generous with the amount of its subsidies. Its only purpose, though, is to ensure that municipalities have the funds to achieve a reasonable level of

road service. It is **not** necessary for the Province to try to achieve any of the following with its subsidy programs in this Region:

- To ensure that roads continue to be built and maintained. Rest assured that municipalities will keep cars moving.
- To ensure that roads are competently constructed and maintained. We have no evidence whatsoever that any municipality in the Region is incapable of performing the responsibilities assigned to it.
- To ensure that a municipality spends its money in certain ways rather than others. Provided that each jurisdiction has under its control those roads which should be entrusted to its control, the electorate and the elected of each municipality are the best judge of what needs doing.
- To ensure that no municipality faces year-to-year fluctuations in its local costs for roads. Municipalities are quite capable of meeting special needs which may require out-of-the-ordinary spending in any year, by the judicious issuance of debentures and the use of capital reserves.

It may be that in other parts of the Province where there is a less sophisticated municipal system, some of the above objectives are valid. However, we do not believe Waterloo residents who have paid for the stronger system here should have to await general reform.

As a result, we feel it is high time that the present form of matching conditional roads subsidy paid by M.T.C. be abandoned. In its place, we recommend that the same dollar total become an annual outright unconditional transfer to each municipality. It would be given prior to, and regardless of, the actual level of spending. The amount available to each municipality may differ, but would be calculated according to a published, equitable, relevant and reasonably straightforward formula.

Merely as an example, such a formula might entail a combination of the following factors.

- number of miles of road in the municipality (adjusted for number of lanes, type of surface)
- number of dollars necessary to make the grant equal the subsidy level in previous years
- a cost inflation factor

The important features are these:

- The amount of the grant, at least initially, must equal the

**average** annual subsidy which the municipality had received in the past five years and had expected to receive on the basis of its roads needs study in the next five years (after taking into account road recommendations 9.1 and 9.3).

- The grant should be paid regardless of the actual spending on roads in that year, and with no expectation, after the initial year, that it will be a certain percentage of that spending.
- The grant should be useable by the municipal council for any purpose, not just roads, although a block grant for roads would be our next preference.
- The grant should be based on readily available statistics and should contain a built-in recognition of growth and inflation in order that there is never any need to tie the formula to actual roads needs or road spending.

We suggest that a committee be established in the very near future to arrive at an appropriate formula for a “road subsidy replacement grant” which is faithful to the principles outlined above. The committee should contain the engineers or road superintendents for all eight municipalities, as well as representatives from the Municipal Roads Office of M.T.C., the Ministry of the Treasury, and the Ministry of Intergovernmental Affairs. Its recommendation should be submitted within four months of formation, with comment from the regional steering committee, to the Minister of Transportation and Communication, to the Provincial Treasurer and to the Minister of Intergovernmental Affairs. After the new grant is in place, the same committee could monitor the effect of the changes and recommend any necessary adjustments.

**Recommendation 9.6: That the Province adjust its road funding to eliminate the distortions it now creates, and to provide for simplicity of administration. To do so, we recommend that the funds currently used for road subsidy be transformed into an annual unconditional grant based upon an appropriate formula. Whether or not done Province-wide, this should at least be done in Waterloo Region.**

**Recommendation 9.7: That, when the replacement of road subsidies is accepted in principle, a committee be struck to arrive at and recommend a workable formula to the municipal councils and the relevant Provincial Ministers, and to monitor the program when changes have been made.**



## Hydro-Electric Distribution

The municipal restructuring of 1973 threw the Region's public utility authorities into limbo for a period of time. Those that had formerly administered water services, street lights, parks, bus service, or the distribution of natural gas saw these responsibilities and the appropriate staff transferred to the direct control of city and township councils. Ontario Hydro continued to serve rural areas, while one, two, or even several hydro commissions were left to serve areas which were no longer separate municipal jurisdictions. The 1972 hydro commissioners were therefore required to serve until the hydro structure could be re-organized. Last year three new commissions – now with strictly hydro-electric responsibilities – were formed to serve the whole Region. These are the Kitchener-Wilmot, Cambridge-North Dumfries, and the North Waterloo (Waterloo, Wellesley, Woolwich) Commissions.

The mayor, or delegate from Council, of each of the seven area municipalities sits on its respective commission. In addition, Kitchener, Cambridge, and Woolwich ratepayers elect people to sit on their respective commissions, while the Wilmot Township and City of Waterloo councils appoint commission members.

We believe the continued existence of hydro-electric commissions in the Region to be an unnecessary, possibly expensive, and outdated complication of the local government scene. In this day and age when virtually every residence is electrified and almost all new service is provided by subdividers' agreements, there is virtually no policy as such for them to set.

The local provision of hydro is a management function almost exclusively. Since Ontario Hydro sells the commissions' only product to them at a set price, in quantity to meet demand, they have no supply responsibility. Since the commissions must by law produce hydro at cost, the only marketing problem is calculating unit costs. The rest is management – maintenance, administration, personnel management, budget control, billing and accounts collection. Even new line construction has been reduced to a management process by the environmental and cost constraints in place.

Any indicators of management efficiency which we have developed indicate that hydro commissions function at the upper end of the cost per unit scale. Our study of purchasing, accommodation and computers all suggested this. Personnel studies elsewhere



suggest they also pay higher wages than do municipalities for similar positions.

Why was the responsibility for hydro-electric distribution not transferred to municipal government – either regional or local – when restructuring took place? No logical reason for this anomaly comes to mind.

Municipal councils handle responsibilities which are at least as complex and technical as hydro-electric distribution, at least as important as hydro-electric distribution, much more time-consuming than hydro-electric distribution, and much larger in terms of payroll and capital projects. There is surely no possibility that a municipal council would decide that hydro-electric power is suddenly not needed by its industries and householders. No harm has come to those services such as transit or water supply which were transferred to municipal councils in 1973.

Perhaps two arguments are given most frequently to justify the continued existence of commissions:

- the principle of “hydro at cost”; and
- the value of volunteers with special interest, and its corollary, the limited time available to busy municipal councillors.

The principle of “hydro at cost” may be recited like this:

“People in Ontario should get hydro at the cost of production and distribution. Therefore, hydro should not be provided by municipalities because they will transfer other costs to hydro bills so that municipal property taxes will not rise.”

This argument is not convincing. Who decides what “cost” is under the present system? Hydro commissions establish “cost”. “Cost” in this case includes the cost of wholesale hydro but also entails paying for reserve funds, expensive accommodation and any other expenditure items the local commission incur.

Second, it is quite reasonable that a certain amount of municipal overhead should be charged to hydro bills if municipalities were to take over the hydro function. If their computers, purchasing officers, accountants, personnel officers and other administrative staff and facilities were devoted to hydro, the cost could be charged against hydro.

The suggestion that a municipality might heavily load its administrative costs on hydro hardly justifies creating a duplicate administration. This approach gives the taxpayer the advantage of paying 100% of the cost of two administrations – once through

property taxes and once in hydro bills. Moreover, the Borough of York where no hydro commission exists manages to distinguish hydro funds from other municipal revenues without difficulty.

Finally, municipalities are by no means incapable of handling services for which distinct charges and distinct funds are required. In the water or gas distribution systems, they experience no difficulty with this.

We agree that volunteer involvement in the activities of municipal government is valuable. It is a useful way of harnessing special expertise and interest, and of introducing people to local government who may in the future wish to run for office.

We reject the arguments, however, that councils do not have the time to exercise final responsibility for hydro-electric distribution. First, the day-to-day technical matters are handled by staff, as is the case with those functions presently under councils' purview. Second, not a great deal of governance is needed. Decisions concerning hydro-electric distribution are essentially a by-product either of Ontario Hydro decisions or of municipal planning and neighbourhood servicing decisions. Third, the eminent common sense of municipal councillors is one of the most important forces in our communities working to keep the cost of government operations down and to find a well-co-ordinated approach to the various tasks of government. A separate commission with only hydro and hydro costs to worry about does not have the same incentive or the same ability to see ways to cut total costs.

We are particularly concerned about the practice of electing hydro commissioners. Electors will only turn out when they know that the elected have important choices to make and a broad impact on their well-being. History shows that voter turnout for hydro (or public utility) commissioners is significantly lower than that for municipal councillors, **even when both are on the same ballot!** Separate elections, moreover, foster the perception that hydro-electric distribution is not the by-product and first cousin of other municipal activities.

This inaccurate perception of some natural separateness between hydro and other municipal activities is compounded by the unique boundaries of the three new hydro commissions. At present, hydro cannot be identified or controlled by the electorate either at the regional level or the local level.

The level of opposition to the demise of separate commissions

for hydro-electric distribution is out of all proportion to their importance. Despite the pervasive logic against them, the Ontario Municipal Electric Association seems to mount such a strong lobby that the case has consistently been lost. Therefore, we would make both short-term and long-term recommendations. In the short term:

**Recommendation 9.8:** That in addition to the seven mayors, all members of hydro commissions be appointed for a two-year term by the city and township councils, that is, no commissioners should be elected separately.

**Recommendation 9.9:** That there be no restriction upon the number of council members which each council may appoint to its positions on the local hydro commission.

**Recommendation 9.10:** That every effort be made by the three commissions and the seven area municipalities to consolidate operations or to use joint services where the promise of operating cost reductions exists.

**Recommendation 9.11:** That, in the long term, hydro-electric distribution become the direct responsibility of area municipal councils if an appropriate rural/urban rate equalization scheme and level of technical capacity can be demonstrated. Otherwise, the responsibility should be assumed by the Regional Council. Council could of course appoint a committee of interested volunteers to assist it in the management of the function.

## Industrial Development

Early in the Review, the Commission was asked by the Regional Council to consider whether or not the Regional Municipality should be empowered to participate in a regional development corporation. Such a corporation, it was suggested, could join together the public and private sectors as shareholders to buy, develop, and market land for industrial development in the Region.

We reject such a proposal.

We do so first for philosophical reasons. Not only are industrial property and proper industrial location important matters of public policy in the Region, but also the promotion of and dealing in industrial real estate would require hundreds of thousands of dollars of risk capital from regional taxpayers. If the Regional Council is to venture into such important and expensive fields, it should only be as the elected representatives of the Region's residents. If it is pursuing public objectives and spending public money, the council should be openly and clearly responsible to the public for its actions and its success. It should not seek to shuffle important and expensive responsibilities to an ad hoc body such as the proposed regional development corporation. Nor should it compromise the pursuit of legitimate public objectives by confusing its pursuit with private enterprise. Conversely, what can be left to private enterprise should be left without cumbersome complications from government involvement.

We reject it for practical reasons also. We know of two situations where such a development corporation has been tried – one in the Regional Municipality of Sudbury and one in the City of Cambridge. We are not encouraged by what we know of either example. In Cambridge the terms of reference and composition of such a body have been called into question by a council which, quite rightly, recognizes the importance of industrial and commercial development and the imperative that all city departments contribute and co-ordinate their efforts toward its success. In Sudbury, it is the Regional Council and Planning Department which have been leading the charge to set that city back on its feet after the INCO layoffs, while the regional development corporation does not have the capacity to respond or to motivate local businesses which the critical situation demands. In fact, the regional government and the regional development corporation in Sudbury have apparently been seen to



work at cross-purposes at times.

We would note in passing that, while it could not purchase shares in such a corporation under present legislation, the Regional Council could make grants in aid of such a development corporation under the general authority of the *Municipal Act*, Section 248a. We do not, however, recommend such a course.

**Recommendation 9.12: That the Regional Council not participate in the establishment of a regional development corporation.**

Should the Regional Council itself have powers to acquire, grade, service, and market industrial land? This question was also raised in Chapter Five in our discussion of Kitchener's request to annex 1,100 acres of Cambridge land owned primarily by the Ontario Housing Corporation. It has been a complex and exceedingly contentious issue.

The area municipalities have, by and large, met the industrial land needs of their respective residents and industrialists. The City of Cambridge stands out in its desire to build upon that city's industrial character in its heavy and far-sighted investment in public land holdings, and in the establishment of a highly qualified industrial development staff. Similarly, the City of Waterloo has pursued an aggressive program of land acquisition and promotion.

Kitchener's lack of activity in this field has led to a lack of attractive and inexpensively serviced land. For several years the city has apparently permitted residential development on readily serviced land within its boundaries in the hope that, for industrial purposes, it would be able to annex nearby land upon which it had set its sights. During this period, also, Kitchener has been developing into a commercial and office centre. Nonetheless, the city too has consistently shown interest in industrial expansion and is not without avenues for industrial land at the present time; for instance, in the Strasburg Road area.

This leads us to some pertinent observations.

1. The simultaneous industrial development and promotion programs in the three cities and parts of the townships have led to a significant pattern of interdependence and commuting among municipalities in the Region. While heavy and long distance commuting patterns could erode individual quality of life and introduce regional transportation problems, this interdependence



is here to stay. Specifically, every municipality cannot expect to have the job needs of its residents met entirely by industry within its boundary.

2. The area municipalities, however, have been and will continue to be the dominant participants in the field of industrial land development and promotion. Barring unusual circumstances, there is no reason to expect that their individual efforts will not meet the job needs of residents in the whole Region.
3. The Regional Council has at present one important role to perform in relation to industrial development. It must be able to ensure that enough industrial land is available in the Region as a whole and that the use of the land that is scheduled for industrial development does not interfere with residents of a neighbouring municipality. This entails developing policies to prevent industry locating so as to create traffic and environmental problems in a neighbouring municipality. However, it also involves the Region retaining sufficient power to prevent a municipality from damaging the economy of a neighbouring municipality through overly restrictive or overly competitive policies.
4. The Region now has several tools to perform such a role:
  - an excellent and proven research capacity;
  - the Regional Official Plan which may designate the location and staging of major industrial development areas;
  - area municipal official plans and zoning by-laws which must conform to the regional plan;
  - the Regional Council's approval of local plans which ensures that the plans conform to matters of regional plan policy.
5. This arsenal should handle almost all situations. Let us use an example of a possible situation which has been cited to us as a source of great concern. If some industry wished to locate very close to Kitchener but that city had no land for it, and the City of Cambridge should happen to refuse to provide the only available industrial land for it, to prevent damage to the Region's economy, the Regional Municipality could move directly to implement its plan. It could supply the trunk services – major road connections, sewage treatment, water supply. After this had been done, it would be extremely unlikely that Cambridge would fail to service and zone such land in accordance with a well-reasoned

regional plan.

6. If Cambridge continued to resist, the proper zoning could be placed on the land by either of two methods:
  - the Regional Municipality could pursue a legal remedy to enforce its official plan;
  - the owner of the land could apply to Cambridge for a rezoning and, if refused, could appeal to the Ontario Municipal Board.
7. Hypothetically, the city might still not supply the local services, without which the development could not proceed. While the Regional Municipality could legally own and maintain the local roads, there is a school of legal opinion which holds that the Region does not have the authority to provide water or sewer services directly to a prospective industrial land owner. The *Regional Act*, it is argued, empowers it only to provide water to, and collect sewage from, "the area municipalities." The area municipalities must in turn serve the land owner directly. In the event that such an interpretation is held to be correct, the legislation should be amended to give the Region the power to designate any water or sewer mains as "trunk mains," and to assume the ownership and operation of these mains, and thereby to supply service directly to an industrial land owner. This illustration of course refers to a situation which we consider to be highly unlikely to ever occur because we have the utmost confidence in the rationality of this Region's municipal councillors.
8. We suspect that such an amendment would go as far as would be conceivably necessary to overcome local attempts to thwart a legitimate policy which the Regional Council had determined to be for the "greatest good of the greatest number" in the Region. It would also give the municipal system in the Region more flexibility generally to respond to unusual situations. As long as regional councillors are also local councillors, such a power would rarely if ever be used by the Regional Council.

We are aware that such an amendment would pave the way for abuse of the Ministry of Environment 15% subsidies for trunk sewer or water projects. However, as our *Environmental Services* research study pointed out, this subsidy is already being abused. Nor do we see why "regional sewers" should be eligible for subsidy but not "area municipal" sewers. The 15% conditional

subsidy should be eliminated. It should be replaced by a method of distributing an equal amount of money to the municipalities in an annual unconditional form.

**Recommendation 9.13: That the Act to Establish the Regional Municipality of Waterloo be amended to clarify that the Regional Municipality may directly provide water to or collect sewage from the owners of land which has been designated in the Regional Official Policies Plan and subsequently zoned for industrial development.**

**Recommendation 9.14: That the Ministry of the Environment 15% subsidy for trunk water or sewer projects be eliminated, the money to be transferred in an annual unconditional form to the regional and area municipal councils.**

9. There may be one other legal problem which requires clarification. Section 21 of the *Planning Act* would seem to give to the Regional Council the power to acquire land for any purpose where such acquisition was envisioned by the official plan. This power might be required in the extreme situation cited earlier. We have been informed, however, that this section may be legally weak. Because of the way municipal law has been interpreted by the courts over the years, such a general provision may have no effect. As a result, it is our opinion that the Regional Council and the local councils may have less power to implement their carefully prepared and approved official plans than the provincial legislature meant them to have. Therefore, we recommend the following:

**Recommendation 9.15: That the Province of Ontario amend Section 21 of the Planning Act to give it more effective meaning. Specifically, where an approved official plan contains relevant policies concerning location, method of acquisition, method and conditions of disposal, and need and purpose of acquiring land, municipal councils should be empowered to acquire, develop, and dispose of land for the purposes of implementing proposed features of the official plan concerning housing, commerce, industry, institutional**

use, agriculture, open space, or rare environmental features.

**Recommendation 9.16:** That, barring the implementation of Recommendation 9.15, the Act to Establish the Regional Municipality of Waterloo should be amended to empower both the regional and area municipal councils to acquire, develop, and dispose of land to implement any proposed feature of an approved official plan concerning housing, commerce, industry, institutional uses, agriculture, open space, or rare environmental features, provided that the approved plan contains policies which specify the need and purpose of such acquisitions, its location, the methods and conditions to be used in acquisition, and the methods and conditions to be used in disposal of the land.

**Recommendation 9.17:** That, barring the implementation of Recommendation 9.16, the Act to Establish the Regional Municipality of Waterloo be amended to empower the Regional Council to acquire, develop, and dispose of land to implement any feature of the Regional Official Plan concerning industry, provided that the Regional Official Plan also contains policies which specify the need and purpose of such acquisition, the location and staging of development, the method and conditions proposed for acquisition, and the method and conditions proposed for disposal of the land.

10. We make this last recommendation recognizing that several factors make it important and likely that Regional Council will use this power only in extreme cases.
  - The area municipalities either through their staff or by contractual arrangements have the experience and expertise in industrial land sales and promotion. This expertise should **not** be duplicated at the regional level.
  - Area municipalities do and should have the pre-eminent responsibility for industrial location, land dealings and promotion. Our recommendation will not lead to duplication or confusion as long as regional councillors are also local councillors, and as long as the Regional Council recognizes that the recommended industrial land powers

should be held in reserve for use only in the most unlikely of circumstances.

- Under no circumstances should the Regional Council develop land which will have the effect of competing with land under development by area municipalities. We see little to be gained from a regional investment which could lead to the under-utilization and poor return from an area municipal investment. Specifically, the Regional Council should refrain from stimulating the development of industrial land which could lead to the under-utilization of the land available and serviceable in the Cambridge industrial park.
- In planning and research concerning industrial job needs, a distinction is to be made between existing residents and their offspring, on the one hand, and residents who would be attracted to the Region, on the other hand. It would certainly impose a hardship on existing residents of, say, Kitchener if the regional distribution of industries necessitated long-distance commuting. On the other hand, many employees are attracted from elsewhere to the Region by new jobs. The forecast for the job needs for each municipality for the next twenty years is based upon this "incoming," population. The newcomers are free to locate in the area municipality where industry locates, and thereby to avoid commuting. This fact suggests that the Regional Municipality may be more justified to revise its assumptions about the distribution of population among the area municipalities, rather than to intervene in the distribution of industries for the sake of its projected population distributions.



## Sewage Treatment

The responsibility for sewage collection now rests with the local municipality, while sewage treatment is a regional responsibility. We have no reservations about this legal division of responsibility. The most effective way of treating sewage is dictated by a host of demographic, engineering and economic factors unrelated to municipal boundaries. The Regional Council and the local councils have shown a dependable ability to work out the precise division of activities in both the water supply and sewage disposal fields which prevents excess expense but permits a variety of servicing alternatives to be considered without regard to local boundaries.

We are, however, concerned with the role of the Province in the system. As a vestige of a centralizing period in the heyday of the Ontario Water Resources Commission, the Province still operates the sewage treatment plants that the Region owns and pays for. This introduces an unnecessary wrinkle into the system. There are few if any administrative reasons why the Province should be involved operationally.

In August 1978 the Review Commission published a research report entitled *Environmental Services in the Waterloo Region* which explored this issue. Although in discussion since that time opinion has been divided, we are nonetheless able to be confident of support in making our recommendations.

**Recommendation 9.18: The Ministry of the Environment (M.O.E.) should cease operating the sewage treatment facilities in the Region of Waterloo. Their operation should be assumed by the Regional Municipality of Waterloo to whom M.O.E. should transfer or second existing operating and supervisory staff.**

By accident of geography, no sewage treatment facility now serves more than one area municipality. In the future, however, this situation will change. Bridgeport sewage will be treated at the Waterloo plant, and the proposed Grand River Trunk Sewer now being investigated by the Regional Municipality could bring sewage from three area municipalities to the Doon plant.

The advent of the uniform, region-wide wholesale sewage treatment rate also eliminates the possibility of area municipalities assuming the operation of sewage treatment plants. Under this

scheme the cost of sewage disposal to the residents of each area municipality does not directly reflect the cost of treating sewage in each area municipality. Therefore, if the area municipalities operated their own sewage treatment plants, they would not feel the sharp edge of incentive to keep sewage treatment cost down. Only the Regional Municipality has that incentive.

Finally, the Regional Municipality can achieve operating economies of scale not available to the area municipalities. These include bulk purchases, supervisory or engineering personnel to serve several plants, and payroll and accounting services.

The Ministry of the Environment, like the local municipalities, does not have the incentive to trim costs that the Region does. The Region which is legally responsible for the wholesale sewage rate must answer to the public for its decisions. Sewage treatment is traditionally and properly seen as a municipal service rather than as a provincial service, and is almost certainly understood as such by most residents.

We do not believe that the Regional Municipality would face any substantial cost in taking up this duty on behalf of its residents. The economies of scale available to it in operating eleven facilities would not be significantly less than those available to M.O.E.'s Hamilton office with whom such services as the purchasing of chemicals could continue to be associated. Testing services not already available through the Region's Pollution Control Laboratory would still be available. At present, the Ministry of the Environment absorbs a portion of its administrative costs incurred in connection with sewage treatment. With the addition of the M.O.E. operating staff, the current supervisory and engineering staff employed by the Region would make any additional staff unnecessary. Thus, this change should not only cost the Region very little more, it would actually save money – albeit provincial money. This change is overdue and should now be implemented quickly.

A second change is overdue. Pursuant to the *Environmental Protection Act*, the Ministry of the Environment exercises a power of approval over the design of new sewer, storm sewer and water mains. We see no reason for the Province to concern itself with such detailed aspects of municipal services.

To give credit, we understand that the Ministry of the Environment is now preparing to delegate this sewer design approval to the regional municipalities. We heartily commend M.O.E. for this

trend and recommend that the delegation be implemented speedily.

We are not convinced, however, that the Regional Municipality should exercise this approval power in all area municipalities. Only three reasons for this approval power suggest themselves.

- All the area municipalities do not employ the engineering staff to make a knowledgeable judgment.
- The area municipalities might approve mains which were too small for the volume of sewage, thus causing back-ups.
- The area municipalities might "oversize" their sewers in order to encourage more development than properly planned, with the possible result of exceeding available treatment capacity.

On the other hand, the three cities employ professional engineers presumably knowledgeable in matters of sewer and water main design. Undersized sewers are by nature an intensely local problem. We acknowledge, however, that the Province has a valid interest in ensuring a standard for eliminating household sewage that is consistent with public health. The provincial interest may extend to the promulgation of design standards for municipal use. We seriously doubt, however, that any one of the three cities in this Region could politically afford to perform the sewage collection responsibility improperly. Moreover, because the cities presently provide this service well, we have no reason to believe that they would suddenly begin to provide poorly designed services because of technical incompetence.

In planning matters, the Regional Municipality has the capacity to control development by means of its plans approval process and the Regional Official Plan. We agree that the Regional Municipality in order to operate its sewage treatment plants properly must also have a control over the quantity and quality of the sewage which enters its system. The Region, however, has this authority without the need for sewer design approval powers.

Therefore, we recommend that the Ministry of the Environment recognize the distinction between those local municipalities which require and those which do not require design approvals to be exercised over them.

**Recommendation 9.19: The Ministry of the Environment should delegate to the Regional Municipality of Waterloo its power of approval over the design of sewer, storm sewer and water mains in the townships which, in its opinion, do not have adequate staff to ensure proper design. The**

**Ministry should delegate this design approval power directly to the Cities of Cambridge, Kitchener, and Waterloo.**

## Water Supply and Flood Control

Issues related to water management have been among the most dramatic and complex on the municipal government agenda in the Waterloo Region during 1977 and 1978. Wilmot township ratepayers have protested strongly against the Regional Municipality continuing to extract groundwater from wells in that township for distribution in Kitchener and Waterloo. Even this groundwater supply does not meet the demand. Not only were lawn watering restrictions ordered by the Region during the dry summer of 1978, but Regional Council has halted the construction of new subdivisions in Kitchener and Waterloo until a long-term resolution of the water supply question has been reached.

The prospects for long-term water supply have for years turned upon three basic alternatives: continued groundwater supply, a West Montrose dam and reservoir on the Grand River, or a pipeline to one of the Great Lakes. After considerable debate and over strong opposition from Pilkington Township in Wellington County, the Regional Council agreed to the construction of the dam by the Grand River Conservation Authority and to pay the majority of its costs. This reservoir may in the future be the source of Kitchener-Waterloo water. Alternatively, the dam would maintain sufficient year-round levels of flow in the Grand to ensure the proper dilution of effluent from the Region's sewage treatment plants. The river's water would thereby be of adequate quality that it could be used for the purpose of artificially recharging groundwater supply. Notwithstanding these alternatives, it is not surprising that many observers including those in Wilmot and Pilkington townships still believe that the long-term solution, whether implemented now or later, will be a pipeline to one of the Great Lakes.

The issue of dam construction, of course, is related not only to water supply and the dilution of treated sewage. Many Cambridge residents with whom this Commission has spoken have emphasized the issue of flood control and the need to manage the river so as to prevent a recurrence of the disastrous 1974 flood.

Such, then, are the vital issues of water management facing the residents of this Region. They involve the Regional Government, the Provincial Government, and the "government in the middle" – the Grand River Conservation Authority. Do these governments have the capability to resolve the all-important water management issue?



From all appearances, the Regional Municipality is capable of holding up the local end. Its water exploration programs, its artificial recharge experiments, its efforts to respond to the complaints of Wilmot farmers, its water conservation measures, its long-range planning research into water supply and demand, its Regional Official Plan policies regarding flood plains and water retention areas – are all signs of municipal government confronting the issues of water supply and river control more aggressively than was possible before the Regional Municipality came onto the scene.

While bestowing deserved credit, however, we recognize that the Regional Municipality cannot, of its own accord, construct dams or take measures to control the river or raise the flood alert upstream. Nor can it construct a pipeline from the Great Lakes.

The Grand River Conservation Authority (G.R.C.A.) is a hybrid form of government covering the whole watershed of the Grand and its tributaries. In one respect it is a partnership of the many constituent municipalities. Thirty-six of the forty-four members, for instance, are appointed by the member municipalities, fifteen of whom are appointed by the Waterloo Regional Council. In another respect it is a partnership of the Province and the member municipalities. Eight of its members and most of its funds are derived from the Province of Ontario.

The G.R.C.A. has powers to do some of what the Regional Municipality cannot do. It operates an extensive rivers monitoring and flood warning system. It operates small wiers and other measures to retard stormwater run off. It controls development in flood-prone areas by the acquisition of land, and in water retention areas by the acquisition of land and the issuance of fill permits. It is the G.R.C.A. which has the legal authority to build major multi-purpose dams such as the West Montrose proposal.

Nevertheless, the G.R.C.A. can no more tackle the full water management issue head-on than can the Regional Municipality. In practice, the G.R.C.A. cannot make the fundamental decisions whether an acceptable standard of river water quality will be met by year-round dilution of effluent, which requires the construction of dams, or by instituting much higher and more expensive standards of tertiary treatment at the watershed's sewage treatment plants. The "partnership of municipalities" cannot compensate those who have suffered damage by flood or offer electoral recourse to those who have suffered from its past decisions to emphasize recreational over

flood control priorities. Finally, the G.R.C.A. cannot build a pipeline.

The Province of Ontario is extensively involved in the water management issue, although it has seemingly assumed this role reluctantly. Following the disastrous flood of 1974, it was not, nor could it have been, the municipalities of the watershed through the G.R.C.A., but rather the Province which accepted the appeal to compensate those who had suffered damage and to investigate the causes of the mishap.

Even prior to that time, in 1971, it had been recognized that only the Provincial Government in the long run could resolve the issue of water supply for the Waterloo Region. Since only the Province can implement a pipeline alternative, a 1971 report of the Provincial Treasury Board raised the obvious question for the Province concerning whether or not to proceed with such a pipeline, or alternatively to fund the Montrose reservoir proposal.

The Grand River Implementation Committee was established at that time as a forum for the relevant provincial ministries to pursue long-range planning and consider the relevant issues facing water management on the Grand. Following the 1974 flood and the ensuing Commission of Inquiry, the Province provided \$1.6 million for a more intense planning study which is finally involving all the relevant ministries. The Regional Municipality of Waterloo is also a member of that study committee, as is the G.R.C.A.

In summary, then, the Province is the only body which is in a position to resolve the basic choices for water management which affect the future well-being of Waterloo Region residents but are beyond the purview of the Regional Municipality.

The Province should not and probably would not undertake or fund major flood control projects without determining that they would fit into a long-range solution for inland water supply. It seems fair to say, moreover, that municipal funding for such projects would not be available except in conjunction with their water supply potential. This is clearly the factor which tipped the scales for the Regional Council in its decision to bear the vast majority of local costs of the West Montrose project. Evidently, major flood control decisions cannot be taken in isolation from the major water supply choices facing the Province and the Regional Council.

These and similar observations were made in *Water Management on the Grand River: A Provincial/Municipal Dilemma*, one of this Commission's research publications. It went on to suggest that

because neither the G.R.C.A. nor the Region had the capacity to solve the water control problems on the Grand, the Province was the only body which could do the job.

We have witnessed an extensive reaction to that publication. Most responses including those of the two local daily newspapers agreed that only the Province now has the required ability. However, they took strong exception to the report's suggestion that the answer to the problem lay in disbanding the G.R.C.A.

Perhaps the clearest and most cogent reaction appeared in the Kitchener-Waterloo Record's February 12, 1979 editorial on the subject.

"In the meantime, it is not at all difficult to accept the study's findings that the authority is insufficiently accountable and accessible to the public, involved in considerable overlap and burdened with poorly-defined and ranked duties.

But why dismantle the G.R.C.A. for its failure to get provincial and municipal dollars for flood control and for its apparent preoccupation with land acquisition and recreation, simply because Ontario and the municipalities are much more willing to make the dollars available for these purposes?

Dismantling the authority would be a solution we suppose. It might even let the Province off the hook.

However, a much more positive and intelligent alternative would be to look for ways to better equip the authority for its manifold tasks and make it more accountable and accessible."

Our reaction to the report was initially much the same as the viewpoint expressed in the above editorial. Why give up on an authority which has done yeoman service and is at least more local than a provincial ministry? The answer we arrived at after much soul searching was simply that to "equip the authority for its manifold tasks and make it more accountable and accessible" entails creating another level of government. The G.R.C.A. is missing at least two key characteristics – it does not have an electoral base and it cannot levy taxes – which prevent it from doing what is needed. Without these "tools" the authority is at the mercy of the Province and municipalities which in turn can (and did) escape responsibility for flood and drought by pointing out that the G.R.C.A. is responsible: (witness the reactions to the 1974 flood and the present water

restrictions in Kitchener.) With this kind of political insulation, we believe that neither level will provide the funds required to solve the water problems.

We also had the preliminary reaction of the G.R.C.A. to the research report in the form of an oral presentation on February 22, 1979. The Chairman argued persuasively that the failure to build all the dams recommended was not necessarily bad. He suggested that with improved understanding of hydraulics it was becoming apparent that construction of the dams recommended over the last forty years (most recently by the Royal Commission investigating the 1974 flood) is not necessarily the answer to the problems of the Grand. It was further argued that the criteria which the research study used to judge the G.R.C.A.'s effectiveness may be appropriate for a municipality but are inappropriate for the authority.

Our reaction to the first of these points is that construction of seven to ten dams on the Grand was believed to be necessary for forty years. The fact that few of them were built means that the function was not performed well. The fact that it now appears fortunate that the dams were not built does not make the decision-making structure more effective.

With the latter argument — that the G.R.C.A. should not be tested by the same criteria as municipal government — we cannot agree. The criteria the research report used were accountability, minimization of duplication, accessibility, clarity, capacity to respond, participation and resource sufficiency (see the discussion in Chapter Two where these same criteria are used in relation to regional government). We see no reason why any government function at any level should be exempt from exhibiting as many of these fundamental requirements as possible.

The research and the preliminary reaction to it suggest to us that there must be a choice — a painful choice — made in the near future. Either eliminate the G.R.C.A. and place responsibility and therefore accountability squarely back on the shoulders of the Province and local government, or give the G.R.C.A. taxing powers and make it an elected body.

We are convinced either course would result in a successful attack on the Grand's problems. We see no reason to believe that one would be better technically than the other. However, as mentioned earlier, we do see one overwhelming reason against giving the G.R.C.A. these tools. It would become another level of



government. If any complaint is universal in Waterloo it is the belief that we have more than enough levels of government taxing us. A G.R.C.A. with the power to tax would assume the same proportion in our system of government as the Region and the school boards.

We believe the present levels of government should find the funds to solve the Grand's problems from among its existing revenues and thus eliminate lower-priority programs instead of raising taxes. With the present emphasis on restraint and low tax increases, we are convinced that at least some of the money to be put into water control on the Grand would be found that way. If the G.R.C.A. were given taxing powers, the taxpayer would almost certainly have to pay for solving the water problems on top of present tax levels.

There is a final reason which we believe argues against giving the G.R.C.A. the tools it would need to manage the water in the Grand valley. To do so effectively it would require control over any development proposal affecting land drainage (and that is most rezonings, subdivisions and severances). It would require full control over municipal water and sewer systems. It would need the authority to expropriate for drainage ditches, pipelines and other related purposes. In short, it would have to be given powers which duplicate municipal and provincial powers.

This duplication would cost the taxpayer dearly if it were allowed to happen. If duplication was to be avoided, municipalities would have to be stripped of water, sewer, development control and some planning powers. The result would be a super regional government. Regardless of its merits, we suspect that superimposing such a system (whether it was called a river board or a "super region") over the six counties, four regions and sixty-four local municipalities in the watershed would cause some mild upset among local residents.

This leaves us with the other side of our Hobson's choice.

## Conclusion

*The Province should take more direct responsibility for water management in the Grand valley and the municipalities should likewise accept greater responsibility.*

As an aside, we should point out that this conclusion does not necessarily apply in any other watershed in the Province. The Grand is unique in size and in the degree of urban dependence upon its waters.



At this point we are tempted to recount in detail the findings and recommendations of *Water Management on the Grand River: A Provincial/Municipal Dilemma* and recommend that its recommendations be implemented. However, that report was not released until February 9, 1979, just a few weeks prior to this writing. We have had considerable reaction to it but we expect that more information may be brought to light over the next few months. It may be that in the weeks and months ahead, discussion of this subject may shed new light on the matter and thus affect our recommendations to some degree. With that possibility in mind we have advanced our recommendations in a tentative tone.

**Recommendation 9.20:** That the Province of Ontario and the municipalities of the Grand River watershed undertake to solve the urgent and growing problems of water supply and control in the Grand valley.

**Recommendation 9.21:** That the Grand River Conservation Authority not be given the powers required to control the waters of the Grand – taxing, development control, water supply, sewage treatment, and an electoral base – as an expedient to solving the problems.

**Recommendation 9.22:** That the Province and municipalities study the proposals to disband the Grand River Conservation Authority and replace it with a more effective decision-making process.

We emphatically state that this recommendation does not suggest that efforts to prevent or control flood and drought on the Grand River should be lessened. Moreover, praise is due to the Chairman and staff of the G.R.C.A. We in no way envision the disbandment of this highly capable and motivated group. Rather, it is suggested that the present administration be transferred to the Province of Ontario. It is only as a decision-making structure that the watershed's "municipal partnership" is inadequate. Operating directly as an arm of the Province, the present G.R.C.A. staff could undeniably pursue its mission more effectively than at present.

**Recommendation 9.23:** That, in the event that the decision to disband the G.R.C.A. is made, the staff and management of the G.R.C.A. be retained by the Province and the appropriate local governments because of their proven

### **excellence in the field.**

In making the preceding recommendations, we are not by any means disregarding the important responsibilities capably exercised by the Regional Municipality. Although the implications of the basic water management choices extend beyond the regional area, the Regional Council is nonetheless the most immediate representative of the Region's residents who will be affected by the decision. The Regional Municipality should continue to be represented in any long-range water management planning for the Grand watershed, and the Province should recognize the opinion of Regional Council as a weighty factor in any choices which may result from such planning.

Furthermore, once provincial water management planning has determined a direction for the future, the Regional Council should be given as much authority and discretion as possible to pursue that direction. An example might be useful. It may be that the Province decides not to proceed with either the Montrose reservoir or a Great Lakes pipeline. Rather, the choice may be some combination of population growth restrictions and water supply by artificial recharge from the river, as well as the concomitant requirement for higher standards of sewage treatment. While the Province may have to impose population limits, there would be no need to stipulate the rate of distribution of growth. These could be left to Regional Council's discretion. Similarly, while dictating sewage treatment standards, there is no need for the Province to dictate the method by which this standard is to be achieved. Regional Council and its engineers would then be free to innovate and to consider the costs of various technologies.

**Recommendation 9.24: That the Province should afford the Regional Municipality of Waterloo (and any other municipal jurisdiction within the Grand River watershed with similar capacity) the utmost latitude and authority within provincial water management policies. For example, in the event the G.R.C.A. is disbanded, the Region and other municipalities should continue to be involved in further studies of the Grand, and the Region should acquire both the authority and funds related to Doon Pioneer Village, and the responsibility for all development control powers now exercised by the G.R.C.A.**

# The Human Services

## Introduction

No field of responsibility has grown so quickly or consumed more resources in recent years than municipal services to people. Social, health, recreational and cultural services have all become major and expensive responsibilities in the Region of Waterloo.

Once again, we have not felt compelled to comment upon every aspect of the human services. We have focused on those for which we believe adjustment is required. This chapter is divided into the following topics.

Under social services:

- Income Maintenance
- Child Welfare
- Social Resources Council

Under health services:

- Public Health
- District Health Council
- Kitchener-Waterloo Hospital Commission

Under cultural services:

- Libraries
- Heritage Conservation

## Social Services

### Income Maintenance

By all accounts, there has been a very great advance in the delivery of municipal social services since the years prior to regional government. Dr. Fyfe reserved some of his harshest criticism of the townships, towns, and even cities for the way in which they administered their general welfare assistance and other social services responsibilities. He also criticized the fragmented structure of government social service agencies and programs. The Region now boasts a humane, professional, and efficient income maintenance program and the introduction of several new programs in the social service field.

Despite the Regional Municipality's achievements, the structure of government and legislation with respect to social services remains seriously fragmented. In no field is this fragmentation more evident than in the provincial/municipal division of responsibility for income-maintenance programs.

For many years, an anomaly in Ontario's approach to providing income maintenance has been identified. Two delivery systems had been established: a municipal system ostensibly to meet short-term and emergency needs; and a provincial system designed to provide for those who require long-term or life-long assistance.

Clients requiring assistance usually apply to the municipal system in order to have their urgent needs met under the *General Welfare Assistance Act* (G.W.A.). Where a client is eligible for long-term assistance under the *Family Benefits Act* (F.B.A.), additional documentation must be processed by workers in the provincial system. There are several problems with this duplication of activity.

Clients face home visits and documentation from two similar but quite separate administrations to his inconvenience and the taxpayers' expense. Disjointed service results from the transfer of clients from the municipal to provincial caseworkers. Intake at both levels involves a duplication of forms and computer entry. Because of higher caseloads and the typical nature of their clientele, provincial caseworkers are unable to provide the same level of assistance and encouragement to that portion of their clientele which is potentially employable. The system lacks clarity both for the clients and for the public. G.W.A. payments are costing the Region money during the



delay while clients are being transferred to F.B.A.

Since August 1974 the Region of Waterloo's G.W.A. fieldworkers have been involved in a pilot project whereby they process F.B.A. applications for G.W.A. recipients who are potential F.B.A. clients, and assumed responsibility for these clients until their acceptance for the provincial program. At the present time, regional fieldworkers process more than half the F.B.A. applications in the Region of Waterloo.

This project – the “Joint Intake Project” – has been an undisputed success, and clearly demonstrates the Region's capacity to do the job. Three separate evaluations of the project, the most recent in July 1978, have reached this conclusion. An October 1976 review by the Ministry of Community and Social Services drew the conclusions in the following terms.

- “1. The project has eliminated duplication of direct worker costs for processing cases from the point of intake at the G.W.A. level to the date of grant for Family Benefits.
2. Cases are identified and transferred from G.W.A. to F.B.A. approximately 26 days earlier in the joint intake system. Consequent savings for G.W.A. to the Municipality would be \$24,485.76 per annum.
3. Although the F.B.A. case load in the Waterloo district has risen by about 300 during phase I and II of the project, no new provincial caseworkers have been added. Thus, there is a lessening of pressure to increase provincial staff to meet increased demand for service.
4. The cost to the Province of Ontario for earlier transfer of clients from G.W.A. to F.B.A. would be \$36,054.72 per year.
5. Surveys of workers in both systems, as well as regular reviews of their activities have indicated distinct improvements in the level of co-operation and support between the two systems. Expectations of each are much clearer resulting in decreased frictions and fewer unrealistic demands upon the other. Co-operation in sorting out priorities for services is a key result, particularly in times of economic restraint.
6. A follow-up study to establish the effects of the new application process on F.B.A. clients concluded: “It appears that the ‘new mechanism’ does make a big difference. From the interviews with clients it can be seen that the assumed



benefits are real benefits, although many, who have only experienced the 'new mechanism' do not fully realize the difference.””

Notwithstanding this success, the project has not been without its problems for the Regional Municipality – problems which indicate that the integration of the two programs has not gone far enough.

The necessity to handle F.B.A. applications has caused a measure of labour unrest among the fieldworkers of the Regional Social Services Division. F.B.A. applications require a great deal more documentation than do G.W.A. applications, they must be kept in limbo on the fieldworker's mind and desk pending receipt of the necessary documents from doctors, courts, the client and others. Technical advice is often required from provincial supervisors who are not always immediately available. F.B.A. applications therefore seem like “extra work” and day-to-day priority is still given to G.W.A. clients.

The decision to accept the documentation and accept a client for Family Benefits is not made locally but in Queen's Park. Therefore, decision making is delayed and represents an additional shuffle in the process. Client files are not readily available to caseworkers.

The processing and acceptance of a new F.B.A. client typically takes one to two months and occasionally longer. During that time there is no possibility for provisional F.B.A. payments to be made. Rather, the client must also be processed for G.W.A. and paid assistance, 20% of which is derived from regional revenue.

Potentially-employable F.B.A. clients such as single mothers are not only still transferred from the original caseworker, but to a provincial worker whose caseload prohibits the type of intensive involvement toward employment which regional staff can offer their clients.

Further integration of the two programs may be seen in a four stage progression.

**Stage One:** Integrate the technical procedures and requirements. Apparently steps in this direction are now being considered by the Ministry. The Regional Municipality has expressed interest in a single, Province-wide computerization of records for income maintenance clients. Discussion of a common F.B.A./G.W.A. intake form is under way.

**Stage Two:** Integrate the responsibility for decisions to grant assistance.

The only practical direction for such a change is to pass responsibility to the Regional Social Services Division. It has been suggested that regional staff would use this opportunity, at the direction of Regional Council, to load clients onto the F.B.A. program and reduce the 20% regional share of costs for G.W.A. Both programs, however, are already audited regularly by the Ministry. This audit is required to be no less thorough now to prevent abuse than it would be in order to guarantee the proper exercise of responsibility by the Regional Social Services Division.

**Stage Three:** Integrate the casework responsibility.

This measure should be nearly an automatic corollary of the previous stage. At the present time, this move would entail the transfer of ten staff members from the Ministry's local offices, including two F.B.A. caseworkers in Cambridge and five in Waterloo. The provincial and regional rates of pay and benefits are comparable.

**Stage Four:** Integrate the two programs completely.

Create a single income maintenance program in Waterloo Region. This final step would not only combine the "lists" of people eligible under both the existing programs, it would also require that any distinctions in provincial/regional cost-sharing be removed. Just for example, cost-sharing for all income-maintenance payments could be 90% provincial and 10% regional, a compromise between the 100% provincial F.B.A. program and the 80% provincial/20% regional G.W.A. program. The exact cost-sharing formula would have to be negotiated on the basis of the historical costs of each program in the Region to ensure that the amalgamation of the programs did not place a greater burden of costs, at least initially upon the Regional Municipality.

In our opinion, the first three stages of integration should be

implemented immediately, and the complete amalgamation of the two programs should be examined closely by the Regional Municipality of Waterloo and the Ministry of Community and Social Services. In both cases it may be practical for the Waterloo Region to continue as a pilot area in order to demonstrate the success of further integration.

In so doing, consideration should be given to the integration of other forms of income maintenance such as day care subsidy and rent subsidy in Ontario Housing. The unfortunate side effects of disjointedness among income maintenance programs were described in this Commission's research report on the *Organization of Social Services in Waterloo Region*.

**Recommendation 10.1: That the Regional Municipality of Waterloo be given responsibility to administer both the General Welfare Assistance and the Family Benefits programs including the intake and processing of applications, decisions as to the granting of assistance, and follow-up work with clients aimed where possible, at their re-entry into employment. The appropriate staff should be transferred without loss of pay from the Ministry of Community and Social Services to the Regional Health and Social Services Department.**

**Recommendation 10.2: That the General Welfare Assistance and Family Benefits programs be completely amalgamated on a negotiated trial basis as soon as possible. Failing a broad financial reform such as that discussed in Chapter Thirteen, the Ministry of Community and Social Services should pursue the amalgamation of the two programs in the Region by means of a block income-maintenance grant or a single cost-sharing agreement at something close to 90% provincial support which would replace the present provincial assistance rates of 80% and 100%.**

## **Child Welfare**

There is probably no social service under as much scrutiny at the moment as child welfare. Tragedies involving children under children's aid societies' (C.A.S.) care are perhaps the most visible and urgent stimulus for the Province-wide soul searching that is under way.

The Ministry of Community and Social Services, C.A.S. boards,

family court officials, education, police and municipal social workers all have some responsibility for children in trouble with their families or society, and those children who suffer from unfortunate circumstances. All of these bodies are active in the Region of Waterloo and all are searching for ways to do a nearly impossible job.

As long as responsibility for children's welfare is divided among several, inadequately funded agencies, however, there can be little confidence that the Region has under control the problems of child abuse, neglect, and children in difficulty with society. There must be a focus of responsibility for child welfare that has the ability to pull together the activities of the various child-related agencies. Without this focus of responsibility two things will continue to occur.

- Each agency will continue to treat single aspects of a child's problem and none will have a mandate to consider the child as a whole, his position in his family and in his society.
- Each agency will be underfunded in the child care area. The only agency whose central mandate is welfare of children generally is the Family and Children's Services (formerly the Children's Aid Society). For reasons discussed below it will be perpetually underfinanced. For the other agencies involved, child welfare is tangential to their central mandates. The two school boards, the police commision, the general welfare and family benefit agencies, the courts, group homes and addiction agencies all have specific programs which they are mandated to perform. As financial pressures mount, they will not be able to divert funds from their central programs to child welfare activities.

Family and Children's Services (and probably every C.A.S.) is in an extremely difficult position. It is a private body with a private board of directors required to perform a vital public service with public funds. It must prevent child battering and other forms of abuse, and it must operate foster homes, adoption programs, group homes, family counselling, and other services to discharge its legal responsibilities to wards of the state. The key to its success is its field worker. He or she must identify critical situations, analyse how best to handle them and make a decision – a decision which could lead to children being taken from devoted parents to children being left in peril of their lives.

Both the Province and the Region fund Family and Children Services (F.C.S.); yet, neither can easily be held responsible if



funding is at an insufficient level. If a child dies due to a faulty decision by an F.C.S. field worker, the agency is at fault. Rarely is accountability for the problem traced a step further. The fact that the caseworkers here average 31 cases instead of the 24 cases which is recognized as a full load is not now a direct concern of either government. It is an F.C.S. problem. Thus, the bodies with the financial capacity to relieve the problem are not held responsible for doing it. This structure tends to push the problems of child abuse and rehabilitation down the pole of public priorities — perhaps too far down.

There are only two bodies which have the breadth and scale to provide the focus for child welfare: the Provincial Government and the Regional Municipality. Already some action is taking place at both levels. The current Minister of Community and Social Services has stepped up the priority given to child welfare issues by the Government of Ontario and has re-organized his Ministry to take a more comprehensive approach. In addition, after several recent inquiries, the Ministry is accepting a greater measure of responsibility for the operation and the success of the Province's ostensibly private children's aid societies, including a program of operational reviews and a Province-wide computerization of crown ward records. Finally, the Ministry is experimenting with models for local "Children's Services Committees" on a county/regional basis whose eventual purpose, it appears, will be to co-ordinate, operate and control funding for the full range of publicly supported services to children. At the same time, however, the Ministry has placed tight spending ceilings on children's aid societies.

In response to the Ministry's interest in local children's services committees, the Regional Council has instigated an examination of ways to implement the concept in this Region. This "committee to plan a children's services committee" is proceeding under the aegis of the Social Resources Council.

The child in trouble is an intensely local problem. It is people in the immediate community who must be able to intervene: teachers, clergymen, social workers, policemen. The activities of these people can best be assisted and co-ordinated locally with a minimum of procedural red tape. For this reason, the Region should assume full responsibility for child welfare.

This, in our view, means that the "buck" should stop at Regional Council, although we fully recognize that the Ministry of Community



and Social Services will and should continue to provide all manner of technical and financial assistance, as well as careful monitoring of regional performance. As a result, we think that the F.C.S. operation and mandate should become an explicit responsibility of the Regional Council.

In addition, the Province and the Social Resources Council, in planning a regional structure for comprehensive community services to children, should bear in mind the ultimate responsibility which should be placed upon regional councillors. Any co-ordinating body should report to the Regional Council. Indeed, to avoid duplication and confusion in the structure of social services at the regional level, the Social Resources Council itself should perhaps double as the regional children's services committee.

A second program which we believe might be reasonably transferred to the Regional Health and Social Services Department is the Province's juvenile probation and after-care function. We regret that we were unable to complete sufficient research into this function to arrive at a firm conclusion. However, our preliminary view suggests that there is a sufficiently close relationship between child welfare and juvenile probation to justify such an integration. Obviously, a transfer of funds from the Province to the Region would also be required if this took place. Certainly this proposition is worthy of further study.

On the basis of a similar recommendation regarding Family and Children's Services, the Commission's social services research report made a recommendation that the present Health and Social Services Department would need to be divided into a Health Department responsible for public health and the Sunnyside Home, and a Social Services Department consisting of an Income Maintenance and a Children's Services Division.

We have heard many strong opinions in favour of such a division of the present department. We have also had some reaction against the research report's recommendation on the grounds that effective social policy required a knowledge of both health and social services at the management level and close co-operation at the health nurse/caseworker level. Professionals and policy-makers in this Region had attempted to achieve this integration for many years.

We have grave doubts about which course should be pursued. On balance, however, we suggest that municipal health and social service responsibility should remain within a single department. It is

clear to us, nonetheless, that the organization of the enlarged department must take account of the increased emphasis on the “social service” side of its work.

**Recommendation 10.3: That Family and Children’s Services of Waterloo Region be disbanded and the staff and responsibilities of that organization be assumed by the Regional Municipality of Waterloo.**

**Recommendation 10.4: That the Department of Health and Social Services be reorganized into four divisions: a Child Welfare Division, an Income Maintenance Division, a Public Health Division and a Sunnyside Home Division and perhaps a Juvenile Probation and After-Care Division.**

**Recommendation 10.5: That, failing a fundamental reform of local funding as discussed in Chapter Thirteen, the Province continue to treat temporarily the Family and Children’s Services as a separate program for budget purposes only, but ensure that it does not penalize the Region by cutting the Family and Children’s Services’ grant as a result of administrative economies the amalgamation might produce.**

**Recommendation 10.6: All other programs concerned with child welfare such as the juvenile branch of the police department, the special education and guidance programs in schools, group homes, family court and private agencies should ensure maximum co-ordination with the Regional Health and Social Services Department through outright integration where practical, and otherwise, through a senior management committee such as the Coalition for Public Programs for Social Development.**

**Recommendation 10.7: That the Regional Council, acting with the formal advice of the Social Resources Council, should be entrusted with the responsibilities which are being envisioned for “Children’s Services Committees” by the Ministry of Community and Social Services.**

### **Social Resources Council**

We are recommending a very significant increase in the Regional

Municipality's responsibilities for social service. In so doing, we are saying that the elected representatives of the community are the most appropriate people to exercise this responsibility. We are also saying that the exercise of the responsibility has primarily a local impact, and requires local knowledge and local involvement. Therefore, these are responsibilities for municipal government, in this case, most appropriately the Regional Municipality.

We certainly would not suggest, however, that the Regional Council does not need "all the help it can get." This is the value of the recently established Social Resources Council, and the reason it should continue.

The Social Resources Council is in many ways a tribute to this Region. It shows:

- That the Regional Council recognizes the need for well-informed and well-balanced advice in performing its responsibilities, as well as the need for a well-co-ordinated approach.
- That the professionals and volunteers in the Region are committed to the success of social services at the regional level.
- That the professionals and volunteers are willing to work with those from their community who were elected to the Regional Council.

The Social Resources Council contributes to effective and well-co-ordinated local government, although in some ways, it detracts from clear government in the Region. Specifically, its relationship to Regional Council is not clear, nor is its position relative to the Ministry of Community and Social Services.

In our view, a few simple changes would not only clarify the role of the Social Resources Council as an element of regional municipal government, they would also improve the likelihood of success in its endeavours. The Social Resources Council serves a useful role as an advisory body to the Regional Council. Thus, it is distinguishable from truly voluntary bodies like social planning councils. As part of government at the regional level, it must report to and be accountable to the elected representatives of the Regional Council. We are emphatically not saying that the Social Resources Council should fail to give independent advice to that council.

It is vital, however, that citizens, service agencies, and even provincial civil servants be in no doubt about where the "buck stops"

regarding social policies at the local level.

Accordingly, we recommend the following changes.

**Recommendation 10.8: That the Social Resources Council function as an advisory body to the Regional Council, allied to the Health and Social Services Committee of Regional Council.**

**Recommendation 10.9: That the Chairman of the Health and Social Services Committee be a vice-chairman, ex-officio, of the Social Resources Council in order that there may be a formal channel of communication between the two bodies.**

**Recommendation 10.10: That the present 75% funding arrangement by the Ministry of Community and Social Services be eliminated. The present level of provincial funding in respect of the Social Resources Council should be transformed into an annual unconditional grant to the Regional Council.**

**Recommendation 10.11: That the staff support needed by the Social Resources Council be seconded from the staff of the Regional Social Services Department. Specifically, the Social Resources Council Executive Director should become a regional employee.**

The Social Resources Council must understand that its role is as advisor to the Regional Council, not as its supervisor or inspector. By the same token, the Ministry of Community and Social Services must recognize that the Regional Council is a government, and not simply a service delivery agency like any other. Beyond a minimum set of basic provincial standards, for example, general welfare eligibility, a responsive, effective, and efficient system of social services in this area is primarily a concern of the elected representatives of the regional community, far more so than of provincial officials.

Unless this basic fact of government is accepted we fear that the Social Resources Council is doomed. When the trial funding has expired at the end of 1980, neither the Provincial Minister of Community and Social Services nor the Regional Council will feel responsible for it. Neither level will be politically and, therefore, financially committed to it. Furthermore, neither the provincial nor regional politicians are likely to accept the advice of a body which is not a part of government at either level. With some justice, both



might retort that the Social Resources Council knew nothing about the problems of government, nor about other priorities of the community. Were the Regional Council clearly the sponsor of the Social Resources Council and clearly responsible for final decisions, it would not have this easy comeback to advice it did not like. Similarly, we can say with confidence that the Provincial Government will listen much more carefully to Social Resources Council recommendations which have been adopted by the Regional Council.

Such is the reasoning for Recommendations 10.8 and 10.9. Recommendation 10.10 is related.

Surely there can be no more direct and obvious responsibility of a policy-making body, i.e. Regional Council, than to obtain necessary information and advice. Regional Council should not be induced into obtaining advice through a conditional grant because it obscures the clear service which the Social Resources Council performs for the Regional Council, and may foster illusions that the Province is the accountable body for co-ordination of local social services.

Money, of course, is always welcome in municipal coffers. If the Province wishes to contribute toward better government at the regional level, let it do so openly and unconditionally.

Recommendation 10.11 stems from the same line of thought. The Regional Council hires a staff to serve its purposes. One of these purposes is obtaining social services policy advice through the Social Resources Council. Therefore, the social services staff responsible to the Regional Council should be dispatched to serve the Social Resources Council. We suggest the following advantages:

- It would give greater security of tenure to the Social Resources Council's staff support, and increase the likelihood that the Social Resources Council will not fold for lack of support at the end of 1980.
- It would avoid any prospect of duplication between Social Resources Council staff, and Regional Social Services staff, and the need for a separate office, overlapping duties, etc.
- It would prevent the natural tendency for misunderstanding to arise between the staff serving the Social Resources Council and the Regional Health and Social Services Committee, and provide a channel to work out an effective division of labour between the two bodies. For instance, the Social Resources Council might examine the concept of the Regional Municipality contracting for hostel services and the standards



to be used in evaluating such services, but should not concern itself with the premises or business practices of individual contractors.

- It would emphasize that Regional Council was seeking the contribution of the Social Resources Council members themselves, while recognizing that a variety of regional staff members – in the Finance and Planning Departments – might have useful information to supply to Social Resources Council.
- It would emphasize to the participating professionals and volunteers that a close relationship to local government was not something to circumvent or sneer at, but something to be utilized and worked with.

## Health Services

### Public Health

Until 1973 the Waterloo County Board of Health was a joint endeavour of the County of Waterloo, and the Cities of Galt, Kitchener and Waterloo. In 1973 the Regional Municipality took over responsibility for making municipal appointments and providing municipal funds to the Board of Health. However, the formal governing body of the public health function was not the Regional Council, but rather a Board of Health which contained three provincial appointees. During 1975 this vestigial structure was abolished. Since then public health services have been a direct responsibility of the Regional Council, administered through the Health Unit Division of the Department of Health and Social Services. The former Medical Officer of Health was appointed Regional Commissioner of Health and Social Services.

Vesting the health function directly with the Regional Council has been a success from a health point-of-view and from a local government point-of-view.

We realize, of course, that the voluntary services of three appointees have been lost to the Regional Council, although in all likelihood such special interest and expertise is put to better effect in an advisory capacity such as the District Health Council. We reject any suggestion that health services have suffered. Between 1972 and 1975 inclusive, health unit spending in the Region increased by 63% while our health inflation index rose by 67%. Between 1975 and 1978 inclusive, health spending increased 24% – again at about the rate of health costs inflation. Only by ignoring the much slower rate of inflation in the health field in these latter years is it possible to imply that the Regional Council is spending on health at a lower rate than did the board of health. This would of course be an entirely inaccurate implication.

We conclude, therefore, that since July 1975 public health spending by the Regional Municipality has been maintained. New services have in fact been added, and benefits have accrued from its integration as a regional department. These include tighter budgeting, regional support services, and co-ordination with other regional programs, particularly social services. These benefits could perhaps be accentuated at such time as it becomes possible for the public health service to be physically located in a regional

headquarters as opposed to its present anachronistic separation.

We have one serious concern about regional public health services. The Ministry of Health relies heavily on the conditional grant incentive. During our tenure in the Region, we have witnessed the Regional Health and Social Services Commissioner – a respected and dedicated health professional – on at least three occasions in conflict with regional councillors. On each occasion the Commissioner was presenting a new program proposal – for a community nutritionist, a preventive health educator, and a researcher into senior citizen needs. On each occasion the proposal was sparked by the offer or expectation of grants from the Ministry of Health.

The effect of such program stimulation grants reduces the ability of the recipient to determine the priorities to be given to the competing programs for which it is responsible. It may be that the former Board of Health was suited to this limited role. It contained people whose special interest in health had attracted provincial attention. It did not need to concern itself with the non-health interests of the community, and it was not effectively accountable for the amount of tax money it spent. It fostered an unquestioning liaison between the medical bureaucracies at the provincial and local levels.

We believe the Ministry of Health was wise to allow Regional Council to shoulder the responsibility for public health services. Public health is an important responsibility of local government, but only elected representatives are in a position to make the final decision as to whether an increase in such services is more or less important to our quality of life than an equivalent increase in sewerage, education, sports programs, or better housing for senior citizens – to name but a few competing priorities.

We are not content to see the Regional Council denied the ability to set priorities among its many programs, nor it seems, is the Regional Council. In the past two years the Council has felt it necessary to reject at least these three proposals despite their undisputed merit and despite the Health Ministry's enticements.

This independence of spirit on the part of the Regional Council is to be applauded as the responsible exercise of elected municipal office. The councillors, after detailed discussion, obviously decided the community's needs in these areas were not as pressing as were other demands on public funds. Any suggestion that these decisions represent an abdication of Council's responsibility is to

misunderstand the role of local government. Recent criticism by the Ministry of Health about the lower than average public health spending in this Region mystifies us because by their admission they have no evidence that services are poor.

The Ministry of Health grant structure not only distorts the local priority choices, it may be counter-productive as well. It has led to situations where mutual trust and encouragement between the Regional Health and Social Services Commissioner and council was disrupted. It leads councillors to view their public health responsibility as a matter of sitting in wait for provincial initiatives, rather than using their staff advice, common sense, and imagination to provide the most effective service possible with the given resources.

We believe that public health programs have amply proven their worth, and are in no long-term danger of losing local priority as the public attempts to overcome its susceptibility to "life-style" diseases. A council able to choose freely will reflect this priority. In our view, provincial funding for community health programs could and should be changed.

**Recommendation 10.12: That the Ministry of Health cease its use of conditional incentive grants for community health programs in the Region of Waterloo.**

**Recommendation 10.13: That the level of provincial funding for community health services in the Region of Waterloo be maintained but transformed into an annual unconditional grant to the Regional Council.**

**Recommendation 10.14: That the Regional Council continue to exercise direct responsibility for community health services.**

### **District Health Council**

In 1978 a twenty-member District Health Council was established in the Region of Waterloo by the Ministry of Health. It has established an office and appointed an Executive Director with funds provided by the Ministry. Two of its members are appointed by the Regional Council.

The District Health Council is basically an advisory body to the Minister of Health, designed to develop a local consensus of spending priorities. If the District Health Council's mandate was

simply to reduce duplication of facilities and programs between hospitals, we would have little concern. Clearly, the Province has a problem with hospitals. They spend money provided almost exclusively by the Province, yet, in the main they are private institutions run by private boards. Sorting out which hospitals should have which facilities is clearly a provincial responsibility and equally clearly it is an extremely sensitive subject. The creation of a local advisory body for this purpose is a commendable effort on the Province's part.

However, the mandate of the District Health Council goes well beyond these institutional issues to consider broader community health priorities. Here, we see the beginnings of a serious problem. The Regional Council has responsibility for public health services in Waterloo yet it **must** consult with this appointed provincial advisory body before exercising that responsibility. Even when it decides an issue, it is not alone in officially representing the community's views to the Province.

Locally, people believed that the Regional Municipality and the District Health Council would assist each other to co-ordinate services and express the regional point of view on health services. In 1973 the Ontario Cabinet indicated the possibility that District Health Councils could "report through" Regional Council to the Ministry of Health. That is, studies and recommendations by the District Health Council would be transmitted to the ministry but not before having been submitted for information and comment to the council of the Regional Municipality. Such an arrangement would recognize Regional Council's interest in public health, in the allied field of social services, and generally in knowing and responding to the problems of its electorate. The Hon. Robert Welch at a conference held in Waterloo in October 1973 indicated in fact that the door was open to a proposal for a "reporting through" relationship between the Regional Council and the health advisory body, as eloquently outlined by former Regional Chairman J.A. Young. Indeed, the Regional Council presented a resolution requesting such a relationship. Notwithstanding this background and Mr. Young's eloquent logic, Regional Council was later informed by an Assistant Deputy Minister of Health that such a relationship would not be considered.

We are uneasy about this circumvention of Regional Council's important representative role as the local elected body and around its



central responsibilities for community health programs.

Our first concern is the twin thrust of cutbacks in health cost increases and of increased emphasis on preventive and non-institutional medicine which will increasingly blur the distinctions between community health programs and hospital care. As provincial health responsibilities (hospitals) and local health responsibilities (public health) become more interdependent, it becomes increasingly important than an elected body (the Region) deal with the Province on local health concerns. Mental health programs and in-home care for the chronically ill may be the leading edge of this wedge. Indeed, the Administrator of the South Waterloo Memorial Hospital in response to a cutback in hospital beds has recently proposed the construction of a community health centre instead. Ultimately, we fear the programs of the Regional Council will be subject to the unilateral recommendations of the non-elected District Health Council, to which the Ministry of Health is committed to giving utmost credence.

We fear the erosion of the very obvious principle that community health problems must be understood and solved in a co-ordinated fashion at the regional level where health and social services professionals practice. As long as the District Health Council is an advisory body, our concern is muted. However, we do not favour a trend to give direct program responsibility or funding control to such a body. Such a system would be confused, remote, and unaccountable government.

**Recommendation 10.15: That the Waterloo Region District Health Council “report through” the Regional Council to the Ministry of Health.**

**Recommendation 10.16: That the Chairman of the Regional Council’s Health and Social Services Committee be vice-chairman, ex-officio, of the District Health Council.**

**Recommendation 10.17: That the District Health Council be a strictly advisory body and not in any way be responsible for provision of services or funding control of health services.**

### **Kitchener-Waterloo Hospital Commission**

Half a century ago the City of Kitchener, the City of Waterloo, and

the County of Waterloo signed an agreement to share any operating deficits and capital debts involved in the establishment and operation of the K-W Hospital. Any operating surplus was to be credited by the hospital board against any future liability of the municipalities.

At the same time a private act, the *Kitchener-Waterloo Hospitals Act*, established a Hospital Commission to which each municipality appointed members in proportion to its financial liability. The commission consists of the Kitchener mayor plus five Kitchener appointees, the Waterloo mayor plus two Waterloo appointees, and since 1973, the regional chairman plus two regional appointees.

Since then, two things have happened. Because of the Ontario Hospital Insurance Plan, the hospital never runs an operating deficit. In fact, through activities such as renting televisions and providing parking, it usually has a substantial surplus. Second, *Bill 167* not only required the Regional Municipality to stand in the County's stead for any such agreements, it also required the Region to assume all capital debt for hospital purposes. Presumably, the *Regional Act* also precludes any future hospital liability by the cities for capital debt under the old agreement.

Two problems arise. Although the Hospital Commission likes to use its surplus as working capital, it must each year seek a resolution of the Regional Council and the two city councils to permit this. The Hospital Commission would also like to switch some surplus into its capital fund. However, each year the Regional Finance Committee has been reluctant to permit this as long as the Region, under the old agreement, may in theory ever be liable for a hospital operating deficit. For example, the Hospital Commission has consistently had a net revenue from its parking operation. It has requested that this accumulated parking surplus be put toward the financing of the planned parking garage addition.

The second problem is that the cities now have no jurisdiction related to the hospitals as long as there is no operating deficit. Nevertheless, they still have the overwhelming membership on the Hospital Commission.

We see two alternatives to this anomaly. One, the private act could be repealed and the K-W Hospital incorporated under the *Public Hospitals Act*. Thus, it would "elect" its own board and be responsible for the management of its own funds, including any surplus. The second (and our preferred) alternative is to continue it as a municipal hospital, but to repeal the old agreement and the old

act so that the Region alone appoints the Board, approves and meets any deficits or debts, and generally relates to the Hospital Commission as a city would to an arena management board.

In opting for the second alternative our reasoning is as follows. The Kitchener-Waterloo Hospital is the largest hospital in the Region, serving primarily Kitchener, Waterloo, Wellesley, Wilmot and Woolwich, although its "catchment area" for a number of specialized services extends well beyond those municipalities. As such, it is central to the health of northern Waterloo Region's residents, and a natural and legitimate matter of interest to the elected representatives of the Region's residents, if not directly, then at least ultimately.

The hospital, moreover, is involved in the community in a number of ways which relate to municipal activity. This is certainly true of parking, road access, and the compatibility of expanding its facilities into the neighbouring community. It is also true of the hospital's obvious and vital role in child abuse detection and its psychiatric out-patient and social work programs, as well as the ever increasing emphasis on out-patient care which will make the co-ordinated planning and delivery of hospital and public health programs imperative.

Finally, the issue of fiscal responsibility cannot be disregarded. The aforementioned municipalities have paid the lion's share of the cost to build the hospital, and the ratepayers of the Regional Municipality will pay for any expansion, to the extent that operating surpluses are inadequate. The hospital is no less a municipally-provided facility than an arena.

**Recommendation 10.18: That the Regional Council appoint the Kitchener-Waterloo Hospital Commission for a term coincident with that of council. The Commission should consist of: the Regional Chairman and Chairman of the Regional Health and Social Services Committee; the Mayors of Kitchener and Waterloo; five residents of Kitchener; two residents of Waterloo; one resident of each of Wellesley, Wilmot, and Woolwich Townships.**

**Recommendation 10.19: That the Regional Council be responsible to approve use of the Kitchener-Waterloo Hospital's operating surplus, and have the authority to approve the acquisition of land and buildings by debenture**

**issue or from the hospital's operating revenue.**

We are not overly concerned that this continued state of affairs will lead to a lack of "symmetry" between the Region's relationship to the K-W Hospital and its relationship to St. Mary's Hospital or the South Waterloo Memorial Hospital in Cambridge. As we understand it, the South Waterloo Hospital Board of Directors is composed of fourteen members and two members who are "elected" at a hospital corporation general meeting. The membership must be approved by both the Cambridge Council and the North Dumfries Council. The Regional Municipality assumed some \$3,700,000 of debenture debt which was incurred by Galt, Preston, Hespeler and North Dumfries to expand the hospital in 1972. As a result, our earlier remarks favouring Regional Council involvement in the Kitchener-Waterloo Hospital Commission would apply with equal force to the South Waterloo Hospital. However, there is little opportunity to pursue change at this time.

## Cultural Services

### Libraries

The libraries of the Region are well-run, well-used facilities which answer an important need of their communities. We have had virtually no complaints about libraries either from the cities or from the rural areas.

The Regional Library Committee consisting of the four township mayors runs a number of branch libraries in the townships. The recent building fund campaign in Elmira suggests that the local commitment to libraries has not been lost since Waterloo County days.

In Cambridge, Kitchener and Waterloo, the libraries are operated by library boards – three of whose members are appointed by city council, three by the Waterloo County Board of Education, two by the Waterloo County Separate School Board, as well as the mayor or his delegate from council. Between 80 and 90% of the funds spent by these boards are transfers from city council; the remainder is derived from the provincial library grant of \$1.80 per capita annually paid to the library board directly.

We do not question the value of library boards as participation opportunities for interested citizens, or their usefulness to city councils for advice or for the management of an important community facility. We do, however, seriously question the composition of library boards and library funding.

The requirement for school board appointees may have originated when only those known to the school board had an interest in “arts and letters,” when the public library was the only library for school use, and when city budgets were not the mainstay of library funding. Such is not now the case, of course. Furthermore, appointments by the school boards have not made a significant contribution to the avoidance of duplication between the public and school library systems, nor do the appointees report back to their respective school boards. The time has come to correct this anachronism in the governance of city libraries.

**Recommendation 10.20: That the practice whereby the Waterloo County Board of Education and the Waterloo County Separate School Board appoint members to the Cambridge, Kitchener and Waterloo Library Boards be eliminated.**



Library boards are, in effect, a part of city government performing a very important city service. There is no reason at all why libraries should be any less subject to city policies or any less a part of city operations than other city services. This can be achieved without sacrificing the valuable contribution of time and interest by volunteers from the community.

For that reason, we make the following recommendations:

**Recommendation 10.21: That the city councils have no upper or lower limit on the number of council members that they may appoint to their respective library boards.**

**Recommendation 10.22: That the city council have formal authority to approve the annual library budget and any other matters of library policy upon which it wishes to make the final decision.**

**Recommendation 10.23: That the library be integrated with city operations as a department of city government using the same salary schedules and benefits packages as well as accounting and computer services.**

These recommendations clarify the library responsibility and increase council's responsibility for this important service without sacrificing the volunteer commitment. Frankly, in practice, we do not expect that councils will appoint many councillors to the boards or exercise more than budget approval authority. We also expect that library budgets will, if anything, be bolstered rather than depressed when the library "buck" clearly stops at council. However, the integration of library operations with other city operations will ensure that all parties have a close eye to cost-saving possibilities and the use of joint facilities.

The provincial library grant is another anachronism in the context of this Region. No city council is about to eliminate or cut its library service without the \$1.80 per capita inducement. Already this grant is but a minor part of library budgets. It preserves an illusion of independence from council which should not exist and has not existed for decades. The money should be simply added to the Province's unconditional grant to all municipalities which support library services.

**Recommendation 10.24: That the provincial library grants to all municipalities in the Region of Waterloo be transferred to**

**the annual unconditional per capita grant paid directly to the appropriate municipal council.**

### **Heritage Conservation**

Waterloo County has a long, unique and interesting history. Its architectural, cultural, and economic heritage has increasingly been receiving the public attention which it so richly deserves. Issues which have arisen over the Kitchener market, the County Jail and the Preston School illustrate this concern.

By and large, heritage conservation is an area municipal responsibility. All area municipalities except Wilmot have appointed Local Architectural Conservancy Advisory Committees (L.A.C.A.C.'s) under the *Ontario Heritage Act 1975*. These L.A.C.A.C.'s study the architectural history of their communities, and help councils to preserve unique remnants of that history by designating historic buildings and thereby declaring a 180-day moratorium on their destruction or alteration. The City of Cambridge has been particularly active in the preservation of its architectural history. In addition, all area municipalities, either through the clerk's office or the library, are responsible for the retention of municipal archives. Historical interest in the townships certainly rivals that in the cities.

Not all heritage conservation activity takes place at the local level. For example, the centrepiece of historical reminders in the Region is the Doon Pioneer Village. Owned and operated by the Grand River Conservation Authority, it has an advisory body of its own. Some concern has been expressed to us that not enough money is being spent on this site, and that its management does not show a sufficiently aggressive commitment to accurate restoration or community education. If true, this is perhaps not surprising. The G.R.C.A. extends well beyond the Waterloo Region in which the Doon Village concept is rooted. Moreover, the G.R.C.A.'s prime responsibility is for watercourse control and conservation. It should be remembered, however, that the G.R.C.A., as the only local agency with access to provincial grants for the purpose, bailed out the Pioneer Village when the private foundation which founded it was floundering.

It has been alleged that not only the G.R.C.A., but also local governments and the Waterloo Region community in general have been spending significantly below the average for similar areas of the Province in the heritage conservation field. The establishment of the

Waterloo Regional Heritage Foundation in 1974 represents an effort to rectify this situation by wedding provincial grants, community support and local government funds to worthwhile and carefully selected preservation and restoration projects.

The Waterloo Regional Heritage Foundation is formally related to the Regional Council in the following respects:

- The regional chairman is a member, ex-officio, of the fifteen-person board of directors.
- The Regional Council appoints another of its members to the board.
- The Regional Council appoints six other members to the board upon the recommendation of six local organizations.
- The clerk and treasurer of the Regional Municipality are, ex-officio, the secretary and treasurer of the foundation.
- The Regional Official Plan commits Regional Council to promote the conservation by any other agency of items listed by the foundation.
- The Regional Official Plan commits the Regional Council to support financially the Waterloo Regional Heritage Foundation "in efforts to purchase, rehabilitate, maintain and manage, where necessary, properties designated to be of historic or architectural value or interest . . ."
- The Regional Council makes an annual grant to the Heritage Foundation. This grant was over \$44,000 in 1978, in addition to \$75,000 to Doon Pioneer Village.

As such, the Waterloo Regional Heritage Foundation represents a significant commitment by the Regional Council in an important area of public concern. Nonetheless, we feel the same unease with regard to the relationship between the heritage foundation and Regional Council as we have expressed with regard to the Social Resources Council and a once-proposed regional development corporation.

For the Regional Council to pursue important public objectives and regional policies by means of an "arms length" agency does not result in a clear system of a local government and detracts from the paramount role of the elected council. To pursue heritage objectives by means of an "arms length" agency may well not be the most effective way to do so. It may lead the Regional Council to escape the familiarity, leadership and financial commitment to heritage issues which are the keys to success. Heritage projects attract a

great deal of public money, as well as private support. Regional Council should be expected to concern itself with the success with which these funds are used.

As a result, we believe the Heritage Foundation should continue as constituted, but should be seen as a direct instrument and advisory body of the Regional Council. The Regional Council should provide staff support to the foundation and should administer its funds, provided of course that separate funds are maintained for projects which attract community donations and provincial subsidies.

It makes sense also that the Heritage Foundation be the Regional Council's instrument to bring together under one umbrella all historical conservation endeavours at the regional level. These would include the Doon Pioneer Village and other existing and foreseeable historic sites of concern to the Heritage Foundation. It has also been suggested that Regional Council should consider making staff available, **in a strictly advisory capacity**, to assist L.A.C.A.C.'s and other local groups, with the task of designating local buildings of historical merit, preparing plans for their restoration, establishing archives and museums, etc. With this in mind, we make the following recommendations:

**Recommendation 10.25: That the Regional Council assume responsibility for the ownership and management of Doon Pioneer Village; other historic sites of region-wide appeal as determined by the Waterloo Regional Heritage Foundation; managing and supporting fund raising for preservation and restoration projects recommended by the Heritage Foundation; and making architectural research and other staff assistance available, upon request, to Local Architectural Conservancy Advisory Committees and other local groups.**

**Recommendation 10.26: That the staff support currently or prospectively involved in the performance of the preceding responsibilities (Recommendation 10.25) become direct employees of the Regional Municipality of Waterloo.**

**Recommendation 10.27: That the Waterloo Regional Heritage Foundation as presently composed be continued as an advisory body to the Regional Council for the following purposes: (a) to advise the Regional Council about properties which merit and require preservation and**

restoration, and the means available to undertake such projects; (b) to direct fund raising campaigns for heritage projects on behalf of the Regional Council; and (c) to be used as a board of management for Doon Pioneer Village or other heritage projects, except for annual budget approval.



# Planning

## Introduction

To the reader this chapter may appear to be unduly lengthy and detailed in comparison with other chapters in this report. It should be explained, however, that numerous critical comments have been made on this subject, which is perhaps the most administratively complex of any municipal service. We think the lengthy dialogue and detailed recommendations are necessary in order to clarify our proposed changes in the planning function in Waterloo Region.

During the course of this review two planning research documents were published which we think would be of assistance to anyone interested in the planning function. They are:

- A Collection of Perspectives on Municipal Planning
- Planning Administration and Development Control in the Region of Waterloo

## The Regional Official Policies Plan

The *Act to Establish the Regional Municipality of Waterloo* requires the Regional Council to prepare an Official Plan and to submit it for the approval of the Minister of Housing. In fact, the Regional Official Policies Plan (R.O.P.P.) was completed in 1975, amended after some opposition from Kitchener and Waterloo, and finally signed by the Minister in December 1976. This was the first Regional Municipality to complete an official plan.

The *Regional Act* establishes the R.O.P.P. as the "godfather and guiding light" of other planning processes in the Region. Not only is the Regional Council precluded from passing by-laws or undertaking projects which do not conform to the plans policies, the official plans and zoning by-laws of the area municipalities must also be in conformity with the R.O.P.P., and if already in existence, must be brought into conformity "forthwith". For legal purposes, we are told, to be "in conformity" means to be "not in conflict"; while "forthwith" means "as soon as is reasonably possible."

The *Regional Act* does not stipulate the matters to be dealt with by the regional plan, or how, if at all, these matters are to be distinguished from those dealt with in area municipal plans. Not only does this statutory structure permit both regional and area municipal plans to deal with, say, housing, but there is not even an attempt to differentiate the approach or type of housing policy appropriate to the regional plan from that appropriate to the local plan. All the legislation specifies is that policies contained in the area municipal plan must not conflict with any policies or instructions issuing from the R.O.P.P.

This fact has both advantages and disadvantages. On the negative side, it has been alleged that this fact has led the Regional Municipality to edge the area municipalities out of any real policy scope and to subject the finest details of development to regional scrutiny. It has apparently caused confusion, hostility and cries of duplication among local councillors and the public.

Many have urged this Commission to recommend that a distinction between the proper scope and subject matter of regional planning and of local planning be embodied in provincial legislation either in the *Planning Act* or the *Regional Act*. Indeed the Planning Act Review or "Comay Report" recommended this course of action in 1977.

We do not intend to make such a recommendation for several reasons.

1. Because such legislation would have to apply to all possible situations, it would either be phrased in such general terms as to be almost meaningless or in such detail as to become terribly long and unwieldy. The R.O.P.P. itself is one hundred pages. Any attempt at the provincial level to create something equally specific but dealing with matters which may never be relevant in Waterloo would result in an extraordinarily detailed piece of legislation.
2. What is now a unique autonomy and capacity for local problem solving would lose flexibility and become enmeshed in legislative restrictions. Although the Regional Council may choose to hold its powers in abeyance on some issues (industrial land designation has been an example), the fact remains that regional planning gives the Waterloo Region's local government system the ability to handle issues which exceed the purview of any local municipality, and to control or co-ordinate the efforts of region-wide boards and of senior governments. This capacity is a dramatic addition to local autonomy over the previous system. It is in many respects the very flexibility of the present statutory framework for regional planning which makes this increase in local control possible. The Regional Municipality is free to step in where it is needed but stay out where it is not needed.
3. The present statutory framework for regional planning suits the present composition of the Regional Council. Regional councillors are also local councillors. This introduces a very real and effective level of accountability. Contrary to common claims, the Region is forced to defend its involvements in local affairs. Inasmuch as regional councillors sit on local councils, they are aware of local capabilities, the situation in their local communities and the impact of regional policies on local planning. Presumably, too, they are aware of problems which local municipalities cannot solve and which need to be arbitrated or acted upon at the regional level. Regional councillors, in consultation with local councils, are in the best position to decide whether regional or local action would best suit the circumstances. Attempts to legislate restrictions on the subject matter of regional planning would be unwieldy and could not hope to achieve the effective division of responsibilities which the structure of municipal representation can accomplish.

4. Much of the urge to have a statutory definition of regional planning subject matter stems from a hope that this will somehow separate regional planning from local planning and lead to a neat division of concerns. Unfortunately, this is a false hope. The planning matters with which Regional Council deals will continue to be of concern to local councils – both quite properly.

Whether the subject be industry, agricultural land, environment, storm drainage and water courses, transportation, sand and gravel, housing – topics of regional concern will continue to be topics of local concern. Local municipalities have a general legal authority to zone and a general political mandate to speak up for their residents. Their services link up to regional services.

5. The legislation concerning the Regional Plan has not in itself created hostility and confusion. Amending that legislation, therefore, will not eliminate such problems. However, considerable improvement is possible in several ways:
  - Reorienting the procedures for development control as suggested later in this chapter.
  - Completion of Area Municipal Official Plans and community plans.
  - Establishing a clear rationale on Regional Council and in the R.O.P.P. concerning matters with which the Regional Municipality should usefully and legitimately deal.
  - Strengthening the political involvement, understanding and commitment to planning at the regional level.

On balance, we reject the suggestion that the proper matters of regional interest either can be or should be stipulated in provincial statute. It is obvious that any matter which is accepted to be of regional significance will also have a local dimension.

This is not by any means to suggest that regional policy initiatives and opinions should intrude with abandon into fields of concern which area municipalities have the political purview to handle by themselves. This would simply be duplication. Everything may be of local significance, but not everything is of regional significance. In adopting regional planning policies, moreover, we believe that the Regional Council should do so only if it can justify its involvement with reference to a set of guidelines as to what is properly a regional concern. In fact, many of the existing policies in the regional plan are not accompanied by clear justifying material in this respect.

Essentially, the Regional Municipality was established and should continue to serve as a legislative forum for two purposes:

- Resolving and anticipating fields of potential conflict and diverging interest between local municipalities.
- Increasing the importance and the problem-solving capacity of municipal government by exercising powers previously held by the provincial government or non-municipal agencies of local government.

**Recommendation 11.1: That the Regional Council follow guidelines such as the following to decide upon matters of legitimate regional policy concern:**

- **Matters where actions which are permitted or undertaken by one municipality would have a significant and demonstrable impact upon the physical or economic well-being, quality of life, or tax rates of residents in another municipality.**
- **Matters where one municipality's failure to permit or undertake certain actions would have a significant and demonstrable impact upon the physical or economic well-being, quality of life, or tax rates of residents in another municipality.**
- **Matters which have in the past been the subject of dispute between municipalities.**
- **Land uses and services in the immediate vicinity of municipal boundaries.**
- **Any matters where the Province or other agencies now exercise certain powers for planning and development control which the Province is willing to delegate to the Region but not to the area municipalities.**

The exact application of these guidelines can best be left to the Regional Council, and will depend upon past experience, new problems arising from development, and provincial initiatives.

It is clear that a certain amount of conflict will arise, almost by definition, on any occasion when Regional Council chooses to adopt legislation through the regional plan which, by virtue of the *Regional Act*, overrides local planning legislation. On occasion, policies adopted by the Regional Council "for the greatest good of the greatest number" in the Region may restrain one or more local municipalities from following a course which otherwise it would have followed.



If a certain amount of tension must, on occasion, be accepted as inevitable and a healthy sign that the Regional Council is acting as the kind of forum it should be, it is equally clear that the Regional Council in the regional plan has an extremely important obligation to justify and communicate its policies clearly and precisely, in order that local municipalities and landowners know where they stand and what is expected of them. It is not regional planning itself but confusion and misinterpretation which must be avoided. It is of the utmost importance, moreover, that the R.O.P.P. be seen as a political document and not, as some have suggested, as an entrée for regional staff into local affairs. Accordingly, we suggest to Regional Council a number of measures which might enhance the clarity, acceptance and interpretation of the Regional Official Plan.

**Recommendation 11.2: That the Regional Official Policies Plan be reviewed with the intention of deleting or clarifying statements whose legal meaning or force is doubtful. Such would be the case, for instance, with many of the statements which commit the Regional Municipality to “encourage” local municipalities to do something which is entirely at local municipal discretion.**

**Recommendation 11.3: That the Regional Official Policies Plan be reviewed with the intention of including, wherever possible, clear and objectively measurable criteria to be used as the basis of decision on local plans or developer proposals. The Regional Municipality risks creating hostility by retaining a power to affect the outcome of such plans and proposals without it being known in advance what the Region is trying to achieve.**

**Recommendation 11.4: That Regional Council should, where possible, adopt specifications for types of studies which are required by regional policy and which will be the basis for regional discussions on plans and proposals. More clearly established specifications for such studies as environmental impact studies, retail impact studies, and studies of the need to use land in areas designated as an agricultural resource for a non-agricultural use would answer much of the criticism which has been heard.**

**Recommendation 11.5:** That in each new term of council, the Chairman of the Regional Planning and Development Committee (with staff assistance as may be required) lead a seminar for regional councillors in order to introduce them to the policies and reasoning of the Regional Official Policies Plan, the Region's experience with using and interpreting the plan, and any upcoming revisions, refinements, ancillary studies or other issues.

## Regional Involvement in Local Plans

The development of Area Municipal Official Plans and sub-municipal community plans is the key to effective regional planning and successful regional/local relations in planning. No lesser assertion fits the facts.

Area municipal plans and community plans guide and precede virtually all major development proposals in the Region. In order that the Region need not become involved in the fine details of planning, it is vital to have Area Municipal Official Plans (A.M.O.P.) and community plans to set out the broad concepts of matters which may be of regional interest while zoning by-laws and subdivision plans govern the fine details of development.

The official plan stage is devoted, in the words of the *Planning Act*, "to investigate and survey conditions in relation to the development of the area" and "determine the solution of any problems on matters affecting the development of the area." As such, it is the appropriate stage for the Regional Municipality to undertake and apply research, as well as to raise any problem or matters of area-wide interest. This enables the Regional Municipality to avoid pre-ordaining a pattern of settlement as much as possible, and leaves initiative in area municipal hands. Only A.M.O.P. and community plan completion, however, gives substance and meaning to many regional policies.

An early step in the preparation of the A.M.O.P. and community plans is a reconnaissance of types of policy which must be included by virtue of a direction of the R.O.P.P. At the same time, area municipalities need a clear understanding of those aspects of the plan which will be reviewed by Regional Council, and of the grounds or criteria upon which such review will be based, as outlined in the R.O.P.P.

Various local planners and councillors have reported four elements of dissatisfaction with this process. The R.O.P.P. is poorly organized for use by the area municipalities in preparing their plans. Explicit directions and indications of what the Region will be looking for in its review are spread throughout the plan and cannot be confidently extracted without a great deal of consultation with regional staff.

Many of the items in the R.O.P.P. which describe what the Region will be looking at in its review of local plans are stated so

generally that “everything seems to be of regional significance.” Regional staff appear to have carte blanche to comment, delay and negotiate.

In many respects, the local plan must present a good deal of information and analysis on subjects mentioned in the R.O.P.P. This analysis forms the basis for a decision on these issues by the Regional Council when approving the local plan.

Defining the boundaries of the Environmentally Sensitive Policy Areas (E.S.P.A.'s) is a good example, as are the R.O.P.P. requirements for woodlot policies, flood-plain mapping and detailed agricultural land-use classification in the local plans.

It has been suggested that this research is onerous upon the local municipality yet many local councillors do not want the Region involved in the local planning process. On the other hand, without this research, the Region's review of local plans can be delayed and cause resentment among local councillors.

Is the Regional Council, in its review, looking for sufficiently full information in order that it can knowledgeably evaluate and adopt the policies proposed in the local plan (environmental, etc.); or, is the Regional Council only concerned that the local councils have given adequate attention to certain types of issues? Many feel that the Regional Municipality did and should only “red-flag” certain issues (E.S.P.A.'s, housing, commercial impact, etc.), but should not see itself thereafter reviewing and, on occasion, rejecting or modifying the solution proposed to those issues in local plans.

These are certainly real issues but not without solution.

We suggest the following improvements:

**Recommendation 11.6: That the Regional Planning and Development Department should, as soon as possible, consider preparing a checklist of items selected from the R.O.P.P. for reference by the local councils in preparing local plans. This extract should be adopted by the Regional Planning and Development Committee and Council and circulated to local councils and planning departments.**

This would **not** be a new statement of policy. It would be valuable information for regional and local councils, a boon to a smooth process of local plan approval at the regional level, and a better organization of R.O.P.P. policies for use in local planning. It should be noted that within the next three years, the Region will be

required to give approval to six Area Municipal Official Plans and several community and settlement plans.

**Recommendation 11.7: That, as suggested in the Commission's research report, Planning Administration and Development Control, any formal comment which the Region makes on a local plan should come directly from the Regional Planning and Development Committee or its Chairman prior to the adoption of the plan by local council.**

The benefits are as follows:

- Committee members would have greater awareness of the planning that was going on in this Region.
- Committee members would gain experience using the R.O.P.P. and a basis for re-evaluating its policies.
- Committee members would have an interest in coming to understand and, where necessary, enforce the plan.
- Staff would know where they stood in attempting to intercept and enforce the plan, while regional councillors would have to cease the all too frequent practice of relying entirely upon staff, on the one hand, while on the other hand, feeling free to disown or attack publicly what staff has done.
- Local municipalities would not be so inclined to resent regional comments if they had the weight of elected authority behind them.

In making the preceding recommendation, we are not suggesting that every phone call, press query, or technical letter to local planners need be routed through the Regional Planning and Development Committee. Nonetheless, the committee members should establish a closer working relationship with regional planning staff, and make the major interpretations of the regional plan. The committee chairman in particular should take on more political responsibility for relations with the press and the area municipalities.

**Recommendation 11.8: That, in order to stress the importance for local municipalities to complete Area Municipal Official Plans and community plans for major development areas or new settlements, the Regional Planning and Development Committee offer the technical research and advisory assistance of its staff in regard to those aspects of local plans which the Regional Official Policies Plan affects.**



In doing so, it should be clear to all parties that the regional staff research would be done for the Regional Council on matters declared to be of regional interest, and that the final decision would rest with Regional Council when approving the local plans. However, Regional Council would leave the initiative with the local councils to **propose** how these items of regional concern would be reflected in the pattern of future development. The Regional Council should, therefore, accept a share of responsibility to supply local municipalities with the information needed to make knowledgeable proposals, and to supply itself with the information needed to evaluate the proposed policies in the local plan.

The process might be as follows:

- Step 1      Regional Planning Committee offers research assistance and advice of its staff to participate in local plan preparation.
- Step 2      Local council indicates what plans it has in preparation, and areas of regional interest where such regional staff participation would be useful (e.g. environment, agriculture, transportation).
- Step 3      Regional researchers make information and analysis available.
- Step 4      Regional research is provided simultaneously to local planning department/committee and to Regional Planning and Development Committee.
- Step 5      Local planners and council prepare a plan using regional research, local research, public opinion and other information.
- Step 6      Draft plan is submitted by local planning department or council for comment on matters of regional interest (as per R.O.P.P.) to Regional Planning and Development Committee.
- Step 7      Regional Planning and Development Department prepares a draft comment for Regional Planning and Development Committee using research previously conducted as well as material submitted by area municipality.
- Step 8      Regional Planning and Development Committee sends a comment to local council.
- Step 9      Local council finalizes plan.
- Step 10     Regional Planning and Development Committee

recommends to Regional Council the adoption (or modification) of the plan on the basis that it is (or is not) consistent with defined regional interests.

Such a procedure would have the following benefits:

- Enable local municipalities to speed up their plan preparation.
- Give the Regional Council more research with which to decide on matters of regional significance.
- Give local councils a better information base to propose plans which accommodate regional concerns.
- Avoid last minute delays during the approval process while the Regional Municipality undertakes necessary research. (Issues such as the extent and possible resolution of Environmentally Sensitive Policy Areas will have been previously examined.)
- Emphasize that long-range planning can be a co-operative endeavour between local and regional levels.

Regional research is available on such topics as population, industry or transportation. One area which has been the subject of considerable consternation and where the Region should consider providing more assistance to the local municipalities is the environmental field.

**Recommendation 11.9: That the Regional Council consider assigning a qualified individual for work on the environmental planning issues such as the distribution of plant and wildlife species, flood-plain mapping, soil features and so on.**

The benefits this would have are:

- It would provide the Regional Council with sufficient information to exercise responsibilities which later in this chapter we urge the Province to delegate to the Region.
- The local planners generally favour regional involvement in environmental matters and require further technical assistance.
- Developers would appreciate assistance in applying policies on environmentally sensitive areas without incurring consulting costs.

The *Act to Establish the Regional Municipality of Waterloo* requires the local municipalities to prepare Area Municipal Official Plans and zoning by-laws which conform to the Regional Official Policies Plan "forthwith" after the completion of the R.O.P.P. To

date, however, only the City of Kitchener has done so. For a variety of reasons, the remaining A.M.O.P.'s will not all be completed until at least 1981, although the development of plans for the major areas of development, redevelopment and rural settlement has been proceeding steadily.

The Regional Planning and Development Committee should attempt to reach agreement with each local council concerning a schedule for the completion of local plans. Not only will this facilitate a research schedule for regional staff, without the completion of these plans, it will not be possible to re-evaluate the effectiveness of the R.O.P.P. as presently written, or to enter a better defined and more peaceful era of municipal planning in the Region.

**Recommendation 11.10: That the Regional Council negotiate with the area municipal councils a schedule for the early completion of Area Municipal Official Plans and zoning by-laws.**

The Regional Municipality should at least, in theory, have the power to override a local decision about a matter which has regional, rather than just local, implications. However, if local councils have adequate information and staff at their disposal, we would anticipate in most cases that the treatment of such issues in local plans would be satisfactory from the standpoint of Regional Council.

Area municipal planners and councillors have expressed a strong belief that the Regional Municipality should be only peripherally involved in the processing of actual development proposals at the subdivision and zoning level of detail. We share this concept of detailed development control responsibilities. It means, however, that the community and settlement plans must be prepared accordingly. Not only must matters of regional planning policy ordinarily be resolved at that stage, also the location, capacity, and design of regional services must be determined as part of the community plan approval process, as much as possible.

Because of their importance, the Regional Council must, in the final analysis, have power to approve all Area Municipal Official Plans, community plans and settlement plans. This power of approval, however, should be understood in a more restrictive vein than the general power which has currently been delegated to the Regional Council by the Minister of Housing. The Minister of Housing should have no power of approval over Area Municipal Official Plans.

The right of any party to refer a plan to a hearing by the Ontario Municipal Board should remain.

**Recommendation 11.11: That the Regional Council should continue to have the power to approve Area Municipal Official Plans, community plans and settlement plans, including the power to reject or modify features of these plans. The power of approval must be exercised strictly on the following grounds: (a) conformity with all requirements of the Regional Official Policies Plan; (b) meeting the requirements for the provision of regional services.**

In summary, we recommend the following process for local plan preparation and approval:

- Step 1      Local council notifies Regional Council of intention to prepare a plan for a specified area.
- Step 2      Regional Planning and Development Committee offers research assistance on matters of potential regional interest, if necessary.
- Step 3      Timing, public input and drafting of plan proceeds at the discretion of local planning department and council.
- Step 4      Local planning committee forwards a draft plan to the Regional Municipality.
- Step 5      Within ninety days, Regional Planning and Development Committee submits a comment to the local municipality identifying areas of regional concern and suggesting a need for change or further information, if necessary.
- Step 6      Local council adopts a final plan and forwards it for the approval of Regional Council.
- Step 7      The Regional Council approves the plan or notifies the local council, with reasons, that changes are required.

## Reducing Provincial Involvement in Regional and Local Planning

### Introduction

The Province of Ontario created the Regional Municipality to deal with matters which exceed the technical capability and/or political purview of individual local municipalities, and to provide municipal government with an important role in dealing with community and resource development issues. For the previous two decades the Province had been required to take a stronger and stronger hand in such matters, while municipal government increasingly lost both the attention of their residents and any significant involvement in many important issues.

The Regional Official Policies Plan expresses a very clear awareness of this very important purpose of regional government. It presents policies and suggests avenues to pursue policies concerning the broad community and resource issues which were of widespread public and Provincial Government concern at that time. The Regional Council has done its part: it has proposed ways in which provincial concerns can be reflected in development while enhancing the municipal forum for planning decisions.

The Province has not taken full advantage of the fact of regional government or its opportunity to review and approve the R.O.P.P. As a result, a number of very important regional policies must rely upon provincial ministries or other non-municipal agencies for their implementation. These bodies instead of the Region possess some of the authority or the regulatory powers which could be used to give effect to regional policies. The Region's lack of this authority has the unfortunate effect of making some of Regional Council's planning appear superfluous and platitudinous. The Regional Municipality was created to exercise such authority; a full-scale and careful delegation of provincial powers to the Regional Council is required.

The policies of the R.O.P.P. whose relevance is placed in the greatest jeopardy by the Province's failure to delegate powers are:

- Those concerning regional projects which fall under the terms of the *Environmental Assessment Act*.
- Those concerning the development and operation of sand and gravel pits, for which licensing is now in the hands of the Ministry of Natural Resources (Chapter 11 of the R.O.P.P.).
- Those concerning the safe storage of stormwater, preservation



of watercourse hydraulic characteristics, and the regulation of development in flood-prone areas, for which the regulatory instruments are primarily in the hands of the Grand River Conservation Authority (Chapter 13 of R.O.P.P.).

- Those concerning the control of alterations to or the acquisition of land in Environmentally Sensitive Policy Areas where the most forceful tools in practice are those of the Grand River Conservation Authority (Chapter 13 of R.O.P.P.)
- Those concerning the provision of housing for elderly citizens which must in practice rely upon federal and provincial programs and to a large extent upon the Ontario Housing Corporation.

The process of delegation would require the following steps:

- Mapping and designating special policy areas within the Region where the policies will be applied (largely done already).
- Stating the provincial or Grand River Conservation Authority's interest in this type of policy and devising criteria which are as precise and objective as possible and which may be applied by the regional or local council in reviewing development.
- Re-evaluating the Regional Official Policies Plan and local plans to ensure that their policies contain sufficiently detailed and objective criteria to effect the delegation of powers.
- Transferring funds related to delegated programs to the Region.
- Establishing procedures for monitoring the satisfaction of all parties with the use of the delegated powers by regional or local councils.

Such a process should be adopted regarding as many of the Province's planning-related powers as possible including those under the *Environmental Assessment Act*, the *Pits and Quarries Control Act*, and the *Conservation Authorities Act*. Where the Grand River Conservation Authority or Ontario Housing Corporation have the authority and funds to undertake capital works which primarily benefit the Regional Municipality, the authority should be delegated to the Regional Municipality. The corresponding funds which are now available to either of the above agencies should also be made available to the Region.

## Environmental Assessment of Regional Projects

In a Commission research report entitled *Environmental Services*, the observation was made that the *Environmental Assessment Act* now requires a duplication at the provincial level of public input and environmental impact studies which are carried out by the Regional Municipality with regard to landfill sites.

We are convinced that the Regional Municipality in today's climate will inevitably be involved with public participation and environmental considerations in its decision making on such difficult issues as landfill sites. It is hoped that the Province will recognize both the likelihood that regional decisions will be made with the benefit of environmental assessment, and the Region's capacity to do so. In order to avoid duplication, therefore, and to leave important regional decisions in the regional forum, we recommend that either of two amendments in the procedures of the Environmental Assessment Board be pursued.

**Recommendation 11.12: That the Environmental Assessment Board stipulate the types of information, the requirements for public participation and the procedures which must be followed by the Regional Council in order to meet the intent of the Environmental Assessment Act. Further, that it require documentation that the Regional Municipality has presented the information and followed these requirements in making its decision.**

**Recommendation 11.13: That, alternatively, the Regional Council notify the Environmental Assessment Board of its intention to pursue a project requiring an environmental assessment, and the Environmental Assessment Board dispatch one of its hearing officers to be present during the Region's decision-making process in order to indicate his satisfaction with the information and procedures used. Only if the Region's hearings are deemed insufficient would another hearing by the Environmental Assessment Board be necessary.**

## Control of Land Use in Environmentally Sensitive Policy Areas

The Regional Official Policies Plan contains a policy urging that the practice of extending property tax relief to the owners of operating

farms and managed woodlots be extended to the owners of land in designated Environmentally Sensitive Policy Areas. Presumably, such a rebate scheme would reduce the incentive for such owners to develop their land in ways which were perhaps more profitable but also more damaging to the environment. Using the existing models for such legislation, the rebates or tax exemptions would apply only so long as the owner continued to preserve his land without disturbance to the environment, but would constitute a lien on the land. The full weight of back taxes would become payable at such time as the owner chose to develop the land. Such a scheme merits further examination.

**Recommendation 11.14: That the Ministry of Natural Resources and the Regional Municipality explore potential grant, rebate or tax relief schemes for the owners of land in Environmentally Sensitive Policy Areas who consent to retain the land in its existing use.**

In the long-run, of course, there is no better way for land to be retained in its natural state than for it to be acquired by the Regional Municipality or another body whose policy it is to preserve it. Therefore, the Regional Municipality should have clear legal authority to acquire and hold land for this purpose. At the present time, the body which is involved in a comparable program of land acquisition is the Grand River Conservation Authority. For the purposes of acquiring land in floodplains, erosion-prone areas, swamps and watercourse source areas, the Ministry of Natural Resources provides subsidy to the G.R.C.A. In order to implement the Regional Plan, however, it is not the G.R.C.A. but the Regional Municipality which should be eligible for land acquisition subsidies.

**Recommendation 11.15: That the Ministry of Natural Resources end its practice (at least in the Region of Waterloo) of subsidizing the purchase of environmentally sensitive land by the Grand River Conservation Authority and that the Province transfer equivalent funds to the Regional Municipality.**

**Recommendation 11.16: That the Region begin a practice of systematic purchase of lands which, for environmental reasons, should never be developed.**

## Development Control in Floodplain and Source Areas

The Regional Official Policies Plan contains policies favouring the control of filling and altering water courses in areas where this might have an impact upon downstream areas. This aspect of development control is now exercised by the Grand River Conservation Authority. In a Commission research report entitled *Water Management on the Grand River*, it was argued that this process of “fill permits” should be delegated to municipal hands and integrated, where possible, with municipal procedures for development controls and building inspection.

We propose this for two reasons:

- The G.R.C.A. is unable to exercise effective control over developments without the on-the-spot services of municipal building inspectors (as demonstrated in the report *Water Management on the Grand River*).
- A special “hydraulic” approval of development exercised by a non-municipal authority is an excessive, duplicating process tacked on to the thorough and effective municipal procedures which are in existence for development control in this Region.

**Recommendation 11.17: That the present powers of the Grand River Conservation Authority to issue fill permits within the regional area be delegated to the Regional Council and, where feasible, to the area municipal councils. In areas outside this Region and other regions to which the Province delegates this power, the Grand River Conservation Authority could continue to perform these functions until its future is decided.**

The following procedures or something similar would be far more effective than the present “hit or miss” control process.

1. The Regional Plan should identify “hydraulically sensitive policy areas,” being all areas in the regional floodplain, watercourses, and source areas which are now subject to development approval by the G.R.C.A. Subject to item 9 below, these powers of development approval should be delegated to the Regional Council.
2. Before a legal change in the use of land in such areas is permitted to proceed in these areas, the proponent should be required to submit an assessment of any increased speed,



height or siltation of the water downstream, and of the sensitivity to flooding or erosion on the site. Remedial actions should also be proposed.

3. This hydraulic assessment should be submitted by the Region to the Ministry of Natural Resources and (if it still exists) to the G.R.C.A. for comment.
4. The Regional Official Policies Plan should, as far as possible, contain firm engineering criteria to indicate when approval will be given to a proposed development in a "hydraulically sensitive area." These criteria should indicate what level of susceptibility to flooding would cause the refusal of development applications, and what remedial measures would be adequate to relieve this susceptibility. Similarly, other criteria should indicate what level of accelerated water run-off as a result of filling, building or paving operations would cause refusal of a development application or require remedial measures.
5. The G.R.C.A. should second to the Region a staff person with the expertise to assist in development of these criteria and to review these assessments.
6. The preceding requirements would apply only in areas which were not covered by approved Area Municipal Official Plans or community plans. Where such plans exist, they should contain detailed floodplain mapping to indicate areas susceptible to flooding, and an identification of areas where development should be restricted because of flooding problems.
7. In areas to be restricted because of potential flooding, area municipal zoning by-laws passed under the *Planning Act* should prevent development of any kind in order to conform to the Regional Official Policies Plan. Where this is not possible, as in downtown Cambridge, zoning by-laws should require a site plan showing the elevation of buildings and other remedial measures as set out in the R.O.P.P., local plan and zoning by-law.
8. Area municipal plans should also define areas where the alteration of watercourses and the alteration of the elevation and terrain of stream banks and water retention areas will be restricted. As soon as the "state of the art" permits, the Regional Official Policies Plan and local plans should contain objectively measurable criteria concerning the desirable stormwater retention capacities in such areas.
9. Zoning by-laws for such areas, where they do not make use of



section 35(1), paragraph 3, of the *Planning Act*, should require approval of site plans showing the proposed alteration of the terrain and watercourse, and remedial measures to reduce the impact on stormwater retention capacity. Approval of the site plan would constitute approval under the *Conservation Authorities Act*.

10. The preceding stages enable development control for hydraulic purposes to be integrated with the normal course of regional and local approval to legal changes in the use of land. However, in cases where the zoning already permits the proposed use, there would be no opportunity for municipalities to evaluate the impact of changes in the terrain. For this purpose, a form of site plan control without zoning is needed, and the fill permit requirement should be retained. The detection of situations which require such permits would be the responsibility of municipal building inspectors.
11. In all cases, the approval of the fill permit and site plan should be delegated, subject to monitoring by the Ministry of Natural Resources, to the area municipalities within the Region which employ an engineer and have sufficiently detailed policies in their official plans.

### **Licensing of Pits and Quarries**

At the present time the Ministry of Natural Resources licenses the operation of pits and quarries, local municipalities use zoning to regulate their establishment, and the Regional Official Policies Plan contains policies designed to ensure that the future use of land accords adequate priority to the extraction of these resources.

The planning problem with regard to sand and gravel has two sides. On the one hand, the proper location and operation of quarries is necessary to minimize the impact of noise, truck traffic, road deterioration, and abandoned pits; on the other hand, sand and gravel are important natural resources whose availability at reasonable cost must be preserved. While the regional/local planning system can resolve this issue to a certain extent, the references in the R.O.P.P. make it clear that many important considerations, such as restoring pits to a safe state depend on the provincial licensing process.

We recognize the provincial interest in continued availability of these natural resources. We are convinced, however, that this

interest can be protected by the insertion of appropriate policies in the Regional Official Plan and that the remaining issues are of intense local, or at best, regional interest.

**Recommendation 11.18: That the Province delegate its licensing power under the Pits and Quarries Act to the Regional Municipality. In doing so, it should stipulate by amendment to the Regional Official Policies Plan if necessary: (a) targets for the licensed and available production of sand and gravel in the Region; (b) procedural information and public participation requirements for regional decision making on a license application; and (c) measurable criteria, where possible, concerning such matters as road requirements and distance from residences.**

## Housing Subsidy

By and large, the implementation of housing policies in the land-use planning process should be primarily a matter between local municipalities and private enterprise.

For years, however, there has been a general recognition that neither private enterprise nor the zoning and subdivision policies adopted by local municipalities will ensure that all parts of the population can afford housing from the available supply. The Province, using funds partially supplied by the federal government, established the Ontario Housing Corporation which builds housing for rent at a deficit in order to subsidize those who would otherwise be unable to afford decent accommodation. O.H.C. units whether for families or senior citizens are constructed at the request of and on land zoned by local municipalities.

The problem which O.H.C. is addressing, however, is one of inadequate income rather than an inadequate supply of housing. Only in rare cases of particularly large families or handicapped individuals does the market in conjunction with local municipalities not supply the necessary range of housing types.

Therefore, the basic concern of O.H.C. overlaps that of the Regional Municipality – a concern for people whose income is inadequate to meet their basic needs. Moreover, the Regional Council administers two related programs: the rent supplement program on behalf of General Welfare Assistance and Family Benefits recipients, and the Sunnyside Home for senior citizens. By

the evidence of these programs and the Regional Official Policies Plan, the Regional Council has a solid record and a solid commitment to planning and delivery of assistance to low income residents. This situation justifies the following recommendation:

**Recommendation 11.19:** That the Province delegate the powers of the Ontario Housing Corporation to the Regional Council. In addition, the Province should transfer, en bloc, those funds which the Ontario Housing Corporation could have been anticipated to spend in the Region of Waterloo for the next five year period. This block funding should be utilized completely at the discretion of Regional Council in order to help the Region's low-income residents meet their housing needs, subject to annual reporting to the Minister of Housing on the use of these funds.

**Recommendation 11.20:** That, as an alternative to providing block grants for this purpose, the Province consider giving the Region of Waterloo the Ontario Housing Corporation lands without liability. It is clear that those lands serve no provincial purpose and provide an opportunity to eliminate a conditional grant to the advantage of both parties.

**Recommendation 11.21:** That the Province monitor the success of the Region in this undertaking in order to arrive at a policy on the suitability of municipal performance of this function, at least in highly sophisticated municipalities.

## Development Control

### Introduction

In October 1978 the Review Commission published an exhaustive research report entitled *Planning Administration and Development Control*. Since that time we have had the opportunity to receive reactions to recommendations in that report from many interested parties. Agreement has been widespread, and we intend to adopt the recommendations of the research report virtually intact.

We cannot attempt here to reiterate the plentiful data and conclusions which that report contained. We must content ourselves, therefore, with some general observations before proceeding to recommendations.

"Duplication in planning" has been one of the most common complaints addressed to the attention of this Commission. Indeed, we conclude that a measure of duplication does exist in the procedures and division of responsibilities for development control. One body performs the same sort of review on the same application as another body, whereas the objectives which are being sought could be met in a more straightforward and less costly manner.

On the other hand, the duplication is in practice not as rampant as we had been led to believe. Some of it, moreover, is the incidental by-product of the process whereby powers formerly exercised by the Minister of Housing were delegated to the Regional Municipality. As set out in the *Planning Act* or established by the custom of the Ministry of Housing, these powers already contained an element of duplication and an unnecessary hint of supervision over local municipalities. Being "closer to home," the Regional Municipality simply brought this inherent duplication into focus.

It is particularly unfortunate that for several years the Region has borne the brunt of public criticism for "duplicating local planning functions." The legislation under which both local and regional planning operates clearly defines the responsibilities of each. The local municipalities have been duplicating functions assigned to the Region, Land Division Committee and Committees of Adjustment.

Notwithstanding the preceding paragraph the proper way to resolve the duplication is to concentrate the powers of development control in the hands of the area municipal councils. We say this for a number of related reasons:

1. The local councils can most easily be identified with and held to account for development control decisions.
2. The local councils have the most detailed interest in new developments and the greatest variety of services which will be affected.
3. The local councils are most accessible to delegations and can provide the highest level of involvement by elected representatives in public meetings and other discussions of local development issues.
4. The local councils are in a position to relate development controls to each other and process a development in a co-ordinated way.
5. The process of long-range or concept plan preparation now precedes the vast majority of new development in the Region. As a result, most issues of legitimate concern to the regional municipality will have been previously resolved.
6. Local councillors have the incentive to save time and additional red tape by adopting integrated and expeditious procedures for minor development such as severance or minor variance.
7. Quasi-judicial procedures such as public hearings and appeals to the Ontario Municipal Board should be reserved only for situations in which someone whose property rights are affected by the decision wishes to seek redress from it.
8. Elected representatives at the regional level should retain the opportunity to intervene in local decisions in order to enforce stated regional planning policies or regional service requirements.

## **Planning Staff**

Two final comments are in order: one about planning staff of the Regional Municipality and one about planning staff for the townships.

We have been told by a number of people that the Regional Planning and Development Department could have been expected to reduce its staff significantly after the completion of the Regional Official Policies Plan. Whether desirable or not, we cannot share the view that such reductions were to be expected. We think that anyone who reads the R.O.P.P. and reflects upon the responsibilities delegated by the Minister of Housing will share our reaction.

We cannot say with any authority whether a reduction will take place in the future. The net effect of our recommendations may in



the long run lead to a minor reduction, but they will clearly lead to less development control activity and more research, long-range planning and advisory services.

The lack of full-time planning staff in the Townships of Woolwich and North Dumfries presents us with a severe problem in fashioning our recommendations. Bluntly, we are convinced that neither council could process these responsibilities as capably or expeditiously under their present arrangements as one would like to see if fuller responsibility were to be placed in their hands.

The *Planning Administration and Development Control* research report made suggestions to rectify this lack of full-time planning staff. First, it noted that the consolidation of development control responsibilities upon local council would lead to a volume of work which, when combined with official plan work, would economically justify a full-time planner, even in North Dumfries. The experience of the Wilmot Township planner, who is far from idle, justifies this observation even under the present division of responsibilities.

Second, that report noted that both Woolwich and North Dumfries could not only provide themselves and their ratepayers with more consistent, readily available and effective service by hiring a full-time planner, they could also do so **without spending more than they are now spending**. In fact, Woolwich could establish a sophisticated three-person department for what it now spends on planning consultants.

If necessary for any of the townships, specialized back-up services such as drafting should be available by contract from the Regional Municipality. The report also showed that the townships could supply themselves with more legal service at less cost either by contracting with the Regional Municipality or preferably by establishing a jointly-sponsored legal office.

In his 1970 report, Dr. Stewart Fyfe asked this pithy question. If a municipality is unwilling to provide itself with the advice and the management to exercise its responsibilities effectively and wisely, should it continue to exercise responsibilities? We suggest to the township councils that the question is still pertinent.

For two reasons, however, we reject this course and recommend that the township councils in this Region be given more development control responsibility outright, in the full expectation that they will be forced to employ full-time planning staff by the pressure of the workload and by residents and builders. First, we do not believe, in

principle, that another level of government – either regional or provincial – should hold conditions or strings over the head of a local municipality fulfilling a legitimately local responsibility. We believe that development control is a legitimately local responsibility, given that the regional plan and other measures are available to protect provincial and regional interests.

Secondly, in certain local circumstances a full-time staff position may not be the only way to provide sufficiently effective service. For instance, although the Wellesley Township council is quite properly making ever more use of its development control officer, it may never be necessary that she work on a completely full-time basis if official plan work continues to be contracted to another consultant. Nonetheless, we recommend the following:

**Recommendation 11.22: That the councils of North Dumfries, Wellesley and Woolwich in the near future hire full-time planning staff to assist them in the exercise of increased planning and development control responsibility.**

**Recommendation 11.23: That the councils of all four townships in the near future give the most serious consideration to establishing a jointly-sponsored legal office to assist them in the exercise of increased planning and development control responsibility.**

### **Approval of Registered Plans of Subdivision**

**Recommendation 11.24: That the primary responsibility for approving subdivision plans rest with area municipal councils.**

**Recommendation 11.25: That the area municipalities include in their community and settlement plans comprehensive policies on issues of regional servicing and regional planning significance in order to reduce the need for regional comment upon subdivisions.**

**Recommendation 11.26: That the area municipalities, as a condition of subdivision approval, stipulate and enforce any policies of the Regional Council concerning the provision of regional services to new developments including the dedication of right-of-way and the payment of the regional development charge.**

**Recommendation 11.27:** That, prior to the draft approval of a subdivision plan, area municipal councils be required to circulate the subdivision plan for comment by the Regional Municipality, the Ministry of Housing and such other agencies as it thinks necessary.

**Recommendation 11.28:** That the Regional Planning and Development Committee be required to circulate such plans to regional departments and agencies, and to respond, if necessary, within sixty days of receipt, after which time the area municipal council may proceed with draft approval.

**Recommendation 11.29:** That official comment from the Region to local councils on such subdivision plans be made by the Regional Planning and Development Committee or its Chairman.

**Recommendation 11.30:** That zoning by-laws to implement the plan of subdivision be passed by all local councils at the same time they approve a subdivision plan.

**Recommendation 11.31:** That procedures and conditions for subdivision approval (as well as other development controls) be published by each area municipality as a guide to councillors and applicants, and a check on performance. These procedures should also encompass procedures and conditions of the Regional Municipality.

**Recommendation 11.32:** That agencies which, on the basis of experience, prove not to benefit from or make use of prior consultation should not be circulated prior to draft plan approval, but notified subsequently.

## **Zoning By-laws**

**Recommendation 11.33:** That because the role of the Ontario Municipal Board to approve and record all zoning by-laws no longer serves a useful purpose, zoning by-laws come into force without Ontario Municipal Board approval as long as no objection has been lodged within thirty days of council's decision.

**Recommendation 11.34:** That all area municipalities notify nearby property owners, the Regional Municipality and

other agencies as appropriate prior to a decision by council, and provide an opportunity for comment and public participation. After reaching a decision, council should notify those parties who have requested notification.

**Recommendation 11.35:** That the Ontario Municipal Board continue to hear and decide on appeals from the decision of council or council's failure to make a decision. (Note that only 5% of the zoning by-laws are presently appealed.) Thus, 95% of zoning by-laws would not require the consideration of the Ontario Municipal Board.

**Recommendation 11.36:** That municipalities not attempt to recover from the applicant the whole cost of processing a zone change or any other development control. Since development controls are exercised primarily for the benefit of the public, the costs should be borne primarily by the public.

**Recommendation 11.37:** That, prior to the adoption of a zoning by-law or amendment, area municipal councils be required to circulate the by-law for comment by the Regional Municipality and such other agencies as it thinks necessary.

**Recommendation 11.38:** That the Regional Planning and Development Committee be required to circulate the by-law to regional departments and agencies, and respond, if necessary, within sixty days of receipt, after which time the area municipal council may proceed with the passage of the by-law.

**Recommendation 11.39:** That official comment from the Region to local council on such by-laws be made by the Regional Planning and Development Committee or its Chairman.

**Recommendation 11.40:** That the area municipalities, as a condition of rezoning, stipulate and enforce any policies of the Regional Council concerning the provision of regional services to new developments, including the dedication of rights-of-way and the payment of the regional development charge.



## **Consent for Severances and Minor Variances**

**Recommendation 11.41:** That the Land Division Committee be disbanded and the authority to grant consent for severances, subject to policies in the R.O.P.P., be placed with the area municipal councils.

**Recommendation 11.42:** That the Committees of Adjustment be disbanded and the authority to grant minor variances from zoning by-laws be placed with the area municipal councils.

**Recommendation 11.43:** That the local council circulate notice of severance or variance applications to property owners within 400 feet of the site, allowing twenty-one days for objections to be lodged in writing with the clerk.

**Recommendation 11.44:** That councils delegate to a council committee the responsibility to hear and report on any objections which arise from severance or variance applications. No hearing would be required to be held if, after notification of the application, no objections were received from the public.

**Recommendation 11.45:** That routine applications and technicalities be dealt with by the adoption of a planning staff report containing brief recommendations for approval. Councils should have the option to delegate the effective adoption of their reports to a council committee. Council should only hear applications which are recommended for refusal, where the planning committee has held a hearing for members of the public, or where the applicant or other party has appealed to the planning committee against a recommendation that is not standing council policy. In all such cases, council would make its decision by accepting or amending the report of the planning committee.

**Recommendation 11.46:** That, where applicable, severance and minor variance or zoning be handled simultaneously by the local council.

**Recommendation 11.47:** That, prior to a decision, the area municipality be required to circulate the severance or minor variance application to the Regional Municipality and such



other agencies as it thinks necessary for comment within the same twenty-one day period as for public objection. If no comment is received within that time, the local council or planning committee should proceed with a decision.

**Recommendation 11.48:** That official comment from the Region to the local councils on such severance or variance applications be made by the Regional Planning and Development Committee or its chairman.

**Recommendation 11.49:** That the area municipalities, as a condition of consent for severance or minor variance, stipulate and enforce any policies of the Regional Council concerning the provision of regional services to new development, including the dedication of rights-of-way and the payment of the regional development charge.

**Recommendation 11.50:** That an applicant for a severance or minor variance be entitled to a decision by the local council or planning committee within forty-five days of formal application.

## **Development Charges**

**Recommendation 11.51:** That legal authority be granted to the regional and area municipalities to impose development charges as a condition of zone changes where prior policy statements justified such charges by demonstrating the impact of a new development or type of new development upon the cost of “hard” services.

**Recommendation 11.52:** That the Region of Waterloo alter the present uniform unit levy policy to distinguish between housing types.

**Recommendation 11.53:** That, similarly, the City of Kitchener, and to a lesser extent, the City of Waterloo and the Townships of Woolwich and Wilmot alter their current unit levy policies in order to distinguish between housing types.

**Recommendation 11.54:** That all area municipalities follow the lead of the Regional Municipality and the City of Waterloo by including in their financial reports a detailed

accounting of revenues to and expenditures from unit levy and impost reserve funds.

**Recommendation 11.55:** That unit levies not necessarily be based upon “site-specific” costs because of the difficulty of undertaking this calculation in high-growth areas, and in the case of the regional development charge, because of the “regional concept” regarding the region-wide distribution of the cost of new services. Area municipalities, however, should calculate their development charges from areas covered by community or secondary plans at the time such plans are prepared.

**Recommendation 11.56:** That all area municipalities acknowledge regional service responsibilities in order that local levies not be based upon costs which will in reality be met through the regional lot levy.

### **Regional Role in Development Control**

**Recommendation 11.57:** That the Regional Council be empowered to comment upon, reject or modify a development control decision of a local council, but only on the following grounds: (a) the development proposal as submitted fails to take account of any unique requirements regarding regional services; or (b) the development proposed fails to conform to a policy of the Regional Official Policies Plan or to a policy of the Area Municipal Official Plan, community plan or settlement plan which implements a policy of regional significance in the Regional Official Policies Plan.

**Recommendation 11.58:** That, having approved a subdivision plan, zone change, severance, or minor variance, the area municipalities be required to send a copy of the decision to the Regional Municipality.

**Recommendation 11.59:** That within thirty days after receipt of notice of the area municipal decision, the Regional Council be entitled to pass a resolution, indicating its intention to reject or modify the decision, stating its reasons and outlining its recommended course of action. Barring such a resolution, the local decision becomes final.

**Recommendation 11.60:** That Regional Council be permitted to allow a further thirty days before a final decision in order that the local council or applicant is able to respond. If still unsatisfied, the local council or applicant should be able to appeal to the Ontario Municipal Board on the grounds that the Regional Council did not have a reasonable justification for modifying or rejecting the local decision.

# PART FIVE

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## Toward a Better System

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# Provincial/Municipal Relations

## Introduction

In earlier sections of this report we have made recommendations which we sincerely hope and believe will yield better government for the residents of the Waterloo Region.

Even if all were implemented, however, we cannot help but wonder for how long the benefits would continue to accrue. For, the truth is that municipal government stands on ever-shifting sands. What seems a solid footing now may be gradually undermined in the future, not only by changing local circumstances, but more particularly by the ebb and flow of the Province's vision of and relationship to government at the local level. We cannot consider our duty discharged in this report, therefore, without proposing to the Province and the municipalities some general principles which may serve as an anchor for municipal government in the Region in the future.

There is no greater influence on local government than that exerted by the Provincial Government. According to the *British North America Act*, the Province is responsible for municipal government. Municipalities have no life unless it is given to them by the Province. They have no funds or authority to collect funds unless the Province gives them the right to collect them. They may build nothing, carry out nothing, license nothing, protect nothing and decide nothing unless the Province says they may. The *Municipal Act* and numerous other pieces of legislation are the instruments through which the Province has created, changed and sustained municipalities.

Is the system of local government as created by the Province coherent and sensible, or is there a lack of distinction between the roles of the Province and local government? Unfortunately, the answer to this question is based upon a system of values and not upon absolutes. If one believes that local government should in fact define the character of the community it governs, one would argue

for a minimal role of the Provincial Government in most of the activities we think of as local. On the other hand, if one defines local government as an administrative arm of the Province with only limited discretionary powers, a very different division of functions between the Province and local government suggests itself.

Despite the fact that we must refer to values in order to confront the question of how the Province should visualize and relate to local government, it is nonetheless the most central question which must be confronted, and one which requires a more fundamental kind of decision than is represented by the specific recommendations made earlier. It is certainly a decision which the Provincial Government and Legislature has not yet faced.

Some ministries see local government as nothing more than a delivery agent for their program, albeit an agent which has a traditional acceptability and has some (property tax) funds which the Province allows it to raise itself. These ministries devise very tight grant regulations, approval powers and controls to ensure that decisions made by local government in that particular program area are as tightly constrained by provincial policies as humanly possible. Other ministries have a more expansive view of local government and have over the years encouraged a less day-to-day relationship. Still others are apparently engaged in what amounts to an adversary relationship with local government. These ministries appear to see their mandate as one of preventing local government from making foolish mistakes.

Moreover, new initiatives and proposals emanate from the Province on a continuing basis. New issues will be aired in the Provincial Legislature which will affect the distribution of government responsibilities. Provincial officials will devise new programs for or controls over local government. Federal, provincial, and municipal politicians will develop new cost-sharing schemes for municipal participation. Even some local residents will be sufficiently displeased with local government actions or inactions that they will appeal for the provincial level to step in.

For all these reasons, unless the Province faces the need to adopt a fundamental and co-ordinated approach to local government, the "shifting sands" promise to undo in short order most progress made by the specific issue-oriented recommendations of a review commission such as this.

This Commission believes that the Province must have a

framework for local government that clearly defines what it expects of the system and promises a consistent and relatively permanent relationship between the Province and local government. We are not suggesting that the Province give up its position of responsibility for local government, its institutions or its structures. We acknowledge that the ability to change the system is an important power that the Province should guard jealously so that our cities do not sink into the abyss of impotence and bankruptcy which has befallen many American cities, New York and Cleveland, for example. Nevertheless, we do think that a measure of consistency among the Province's many parts is required. To that end, we have in this chapter tried to develop a framework which we believe offers a consistent, understandable relationship between the Province and its constituent municipalities.

It is not only to the Province that we address this chapter. In equal measure, the onus is upon the elected officials in the Region and their civic servants to be guided by a clear and consistent way of judging how much provincial intervention they will quietly accept, how much provincial intervention they in fact request in the form of assistance, and how much responsibility they should accept on behalf of their community.

We propose three straightforward principles to guide this judgment which we will refer to as the principles of local preference, public satisfaction, and efficiency. It is, of course, possible to debate at some length whether these three principles embrace all of the desirable elements of the system of local government. Indeed, principles can be defined and re-defined in almost infinite combinations without a full consensus ever being achieved. We submit, though, that these three principles provide the lowest common denominator of any system which would be consistent with the capacity and desire of the residents of Waterloo Region to govern themselves.

## **The Principle of "Local Preference"**

*Any function of government should be assigned to the most local level of government which can embrace the full effect of that function.*

What this means is that local government should do and decide

as much as possible, and conversely, that the Province should do and dictate as little as possible, in the local arena.

This principle, we believe, is widely supported. The survey of public attitudes published by this Commission boldly underlines the value which the public places on local government. The public sees its local tax dollars as producing a better buy than its provincial tax dollar (38.3% rated local taxes as a good or excellent value as did 27.4% for provincial taxes). It considers itself more able to influence its local governments (16.6% said they believed they had some or a great deal of ability to influence the provincial government as opposed to 50.9% for the local municipality). Further, the public expressed a higher level of agreement with local government (18.3% agreed with the Province most or all of the time and 39.6% agreed with the local municipality most or all the time).

Not only does the preceding dramatic evidence give us confidence in our first principle, there is also plentiful evidence that the principle is shared by the Province of Ontario. Perhaps the most obvious example of the Province's commitment to local government has been its efforts to restructure it. To overcome what was seen as the major weaknesses of local government, county school boards and regional government have been established across the Province with the only conceivable intention being the strengthening of the local system. It may have been inadvisable to do so. It may have been ineffective to do so. It may have been expensive to do so. There are those who would agree with all of those statements. It is clear, however, to this Commission that no provincial government would embark on such politically dangerous programs unless a strong system of local government was important to it – a level of government designed to embrace and deal with the challenges of urban growth, increased mobility, social conscience and environmental concerns

Although the essence of this principle of local preference is straightforward, its application may be complex and far reaching. If a particular function of government affects all or part of the population of a single local municipality, the responsibility for performing that function, deciding how it is to be performed and paying for it should be the responsibility of the local municipality. If a function affects a wider area but is not of sufficient breadth to have a significant effect outside a county or region, that function should be the responsibility of the county or region. If a function affects such a broad area that



its impact is substantially felt beyond the bounds of what can reasonably be viewed as a local or regional area, it should be the responsibility of the Provincial or Federal Government.

A number of complexities arise as soon as any effort is made to apply this principle in practical terms. First, there is a major difficulty in deciding what area is affected by almost any decision or operation of government. Second, there is some difficulty when a local decision on land use near the boundary of a municipality is made. Such a decision is normally local in effect but the effects in this case may cross the local municipal boundary. Third, most functions of government have a variety of aspects. Sewage collection and treatment, for example, has provincial, federal, or even international aspects in ultimate water quality in the Great Lakes. It has a regional effect on how it impacts on the quality of drinking water for neighbouring municipalities and it has a local effect in terms of what properties are to be attached to and to pay for a sewer. Fourth, given our present constitution, taxing powers, and regional disparities, the question of raising money for a function is thorny indeed.

Finally, some matters of undeniably broad importance may tie local hands on related matters of only local significance. For example, it is hard to deny that a policy of equal access to a good education for all residents of Ontario is a matter of provincial significance and a legitimate provincial policy. However, since education is such an expensive service, by the time that objective is put into effect, it may leave little room for local variations that are of purely local or regional significance.

Legally, whatever the Ontario Legislature enacts is in the provincial interest. In practice, however, we are urging that proposed enactments be subjected to an ever-present limitation. Basically, the Province should be free to adopt provincial policy on matters which, given the pressures of the day, are seen to be in the interest of Ontario residents in general, but it should be bound to leave with local government a maximum amount of flexibility in interpreting the local application of these policies without violating the stated provincial interest.

For example, the Province may well decide that it is a matter of concern that municipal sewage effluent is polluting the water supply of downstream settlements. It is therefore reasonable that it should pass legislation specifying that sewage effluent must meet certain standards of purity in the provincial interest. If the Province went



further, however, and specified how that effluent must be treated to meet those standards, how it must be paid for and how the municipalities must organize to do it, that would clearly be a case of exceeding the provincial interest. If the Province wants a certain level of water quality, then the municipalities should be free to achieve the objectives as best suits local conditions.

There are municipalities in the Province which, for a variety of reasons, could not and would not be capable of meeting environmental standards without close direction every step of the way. History of this issue gives clear evidence of this assertion. Many Ontario municipalities did not have and do not have the will, the capacity, nor the scale to treat their sewage and pay for that treatment. The Province has thus argued that in order to protect the provincial interest, the provincial administration must administer services directly, or if power is given to local government, close supervision of detailed intervention by the Province is necessary.

This, in fact, is the reasoning that has been used historically by many ministries in their relationship with local government. Whenever a significant proportion of the municipalities displayed insufficient capacity, the Province has moved to a degree of control to ensure that the policy was met. Unfortunately, for legislative and administrative simplicity, this higher degree of control has generally been exercised over all municipalities whether or not some had the capacity to meet provincial objectives without detailed controls.

The Province has to some degree recognized this problem by allocating broader powers to, and exercising less control over, several municipalities in the Province. The separate acts which established the regions, the delegation of planning powers and a host of private bills which allow some municipalities more authority than others are the most obvious examples of the Province's recognition that some municipalities in Ontario have the capacity for exercising more authority without violating the provincial interest than do others.

Unless this phenomenon of the lowest common denominator can be overcome in a systematic way, any attempt to define the limits of the provincial interest will be limited by the weakest link in the municipal chain. We can see no way for the Province to do this without developing a classification system of municipalities. It should be recognized that some municipalities have a greater technical, administrative and political maturity than do others and these should

not be denied broader powers purely because others lack the capacity to perform to the same level.

Having become familiar with the municipalities in the Waterloo Region, we would recommend that more responsibility can and should be entrusted to them.

## The Principle of "Public Satisfaction"

*Any local government must be free to provide the mix and level of services which the Province has conceded to be local services in the way that is desired by the public to which it is responsible.*

A simplistic interpretation of this principle might yield a vision of local government constantly changing course to meet every nuance of change revealed in public opinion surveys. In an earlier era of town meetings and "direct democracy," the public itself could determine just what government should do. Public opinion surveys can be a useful indicator in the modern era. Science fiction writers have suggested that in a future "wired city," a return to direct democracy via electronic communication media will be possible.

For the time being, however, we in Canada retain a system of representative democracy. It is not surveys or a show of hands which is our barometer of what will satisfy public desires, but the judgment of elected representatives. While at times we all may quibble with that judgment, a faith in this system is central to our form of democracy. In so saying, we would refer the reader to the eight expectations for effective representation which were enunciated in Chapter Six.

The essence of this principle is complex. It involves not only assessing the desires of the public but also assessing if the desires are informed and realistic. Further, the demands must be viewed in long-range and generalized terms.

For example, it may be clear to elected representatives that the public wishes to see an arena constructed but that need not cause a representative to vote for it. He may take the view that the public good would be better served by spending the available money on something else. This does not violate the principle of public satisfaction as long as the representative can convince his electorate that in terms of their total satisfaction it would be better to view his

vote on that issue in conjunction with other policies that he or she stands for. Obviously, if enough people view construction of a new arena as a matter of paramount importance, the anti-arena representative will not be their representative for long. In practice, this principle simply entails governments consciously evaluating competing demands with each legislator's view of public need as his guide.

Because the public has many desires which government could satisfy, it is essential that the local government be able to choose among the demands placed upon it on matters of purely local interest and direct the community's resources towards meeting those that it deems to be of the highest priority.

By definition, therefore, the only bodies to which the Province should devolve local government functions are the municipal councils. The propensity for provincial ministries to create local images of themselves such as school boards, police commissions, or district health councils, may be natural, but it could also be responsible for the erosion of local government to the point where it may become nothing more than a series of local administrations tied together by Queen's Park.

The board of education may do an excellent job of providing an education service. Hospital boards doubtlessly run hospitals well. Children's aid societies do a tremendous job with scarce resources. Conservation authorities manfully strive to save us from flood and drought. Police commissions provide for our protection to the best of their ability.

But, who decides that our community needs more of one of these services and less of another? Who is empowered to say, "Let's cut back on park acquisitions and provide more policemen"? Who has the capacity to respond to public demands, has the ability to choose among competing demands, is accountable for meeting them and has the resources to meet them? The answer to all these questions is no one. In the final analysis Queen's Park is responsible, but the route back to the Province from a decision by the Grand River Conservation Authority to buy another park, for example, is so tortuous as to be meaningless.

## The Principle of “Efficiency”

*Any function of government should be performed so as to provide the level of service decided upon at the lowest possible cost.*

At first glance, this seems a clear and indisputable principle. It is not unrelated to the last principle. The public should not be required to pay for what it does not want, or pay more than necessary for what it does want.

The difficulty here is three-fold: defining the service, measuring cost and resolving any conflict with the other two principles.

Defining the service is considerably more difficult than one would first imagine. To continue the sewage example from earlier, the service could be defined as:

- eliminating liquid and suspended waste from a municipality either completely or to a specified degree;
- eliminating liquid and suspended waste from a municipality in downstream water either completely or to a specified degree;
- returning water to a river in as pure a state as when it was removed from the ground or river;
- ensuring that no resident of Ontario is jeopardized in his health or enjoyment of life by effluent from any sewer.

Any of these objectives is theoretically valid and achievable. However, to judge the marginal benefit of moving to progressively stricter sewage objectives becomes an exercise in political judgment.

Even measuring cost is difficult insofar as more than dollar costs are involved. Although social costs are not measurable in many cases, they are increasingly significant in determining what course of action should be pursued. The art of politics is to assess the costs (social, financial and political) of various alternatives. This principle also suggests that, once a particular alternative is selected, its costs should be minimized.

The principle is the heart of the pervasive public concern for the “cost of government”. Beyond any doubt, this issue in various forms was raised to the Review Commission more often than any other. People have a feeling that they are paying more than they should for what they want from their local government, and also receiving services that they do not want.

It is not surprising that much of the controversy about duplication and the cost of government has been focused on the Regional



Municipality. It is the newest actor on the stage and has had a high profile in public debates. The Region, however, is as much a creature of the Province as any other municipality. It adds to the network of provincial/municipal relationships and local agencies, but is by no means the genesis of the major factor in the "cost control" problem.

The Waterloo Chamber of Commerce expressed its concern for this issue from a novel perspective, perhaps one closer to home for many readers than the convolutions of political philosophy, and one with which we wholeheartedly agree.

### **Text of a Communication of the Waterloo Chamber of Commerce to its Members, August 1978.**

#### **Waterloo Regional Review Survey**

##### **Budget Setting in Local Government**

In the course of preparing this questionnaire, your Waterloo Chamber of Commerce regional government review committee became acutely aware of what we believe to be a major weakness in the local government system. In the City of Waterloo, there are not as we suspected two or three bodies which set our property taxes each year, but seven directly and others indirectly.

It concerns our committee as to whether such a large number of bodies can spend funds properly and efficiently. One might compare this to each department of the Federal or Provincial government fixing its own level of taxation without consultation with the Minister of Finance or without any allocation in his budget.

##### **This is the Way Your Property Tax Bill is Set Each Year**

The City is required to collect the taxes that it needs, plus the money the Region needs for its purposes, plus the money the County Board of Education needs, plus the money for the Separate School Board, plus the money for the Police Commission, plus the money for the Children's Aid Society.

In more detail, this is the process of how each of these seven local governments which govern this City with our taxes



get their property tax revenue.

1. **The Waterloo County Board of Education** goes through its own budget procedure and decides how much it needs. It then tells the City to raise the amount it owes based on its proportion of the region's assessment. The City, by law, cannot say no, nor does the Board of Education have to negotiate the amount with the City. The best the City can do, if it thinks the rate is too high, is launch an expensive appeal procedure that ends up at the Ontario Municipal Board. Since the City does not go through all the budget discussion with the Board of Education, it can only appeal on general grounds, and even so, it has to raise the money and wait for the results of the appeal. In 1976 the Waterloo County Board of Education levy was 47% of our property taxes.

2. **The Waterloo County Separate School Board** does the same thing, and again no one can say no or even force the Board to reconsider except through a complex appeal to the Province. The Waterloo County Separate School Board levy in 1976 was 3.6% of our property taxes in this city.

3. **The Grand River Conservation Authority** does essentially the same thing with an extra twist. It sets its budget independently and tells the Region how much it owes. By law, the Region tells the City of Waterloo what proportion of this it owes. It has no flexibility in this in that the amount the City has to pay is based on the percentage of the benefits of the G.R.C.A. says the City gets. There is no appeal of the levy except through arguing in front of the Ontario Municipal Board that the G.R.C.A. apportioned the benefits incorrectly. In 1976 G.R.C.A. levy was 1.0% of our property tax.

4. **The Waterloo Region Police Commission** also sets its own budget and tells the Region how much it will have to raise. Once again, by law, the Region has to raise that amount by asking the City to levy the tax. This time the Region can only appeal the levy to the Ontario Police Commission, the body responsible for police generally in Ontario. It may be a bit cynical but it seems unlikely that that body would give other expenditures priority over policing. In 1976 the Police Commission spent 8.4% of our property tax dollars.

5. **The Family and Children's Services of the Waterloo Region**, formerly the Children's Aid Society, is in much the

same position as the G.R.C.A. and the Police Commission. Its board, although it is not elected, tells our councillors how much to raise. In this case it is a bit more complicated because whether the council thinks its requisition is too high or not, the Family and Children's Services' budget is sent to the Ontario Ministry of Community and Social Services whose decision is final. If council protests the budget, the Minister has to set up an appeal board, but no matter what the appeal body says, the Minister's decision is final. In 1976 0.4% of our tax dollars were spent by the Children's Aid Society.

6. **The Regional Municipality of Waterloo** each year sets its budget, then adds in the budgets of the Police Commission, G.R.C.A. and Family and Children's Services over which it has no control. It then tells each municipality in the Region how much it must collect in taxes based on what percentage of the Region's assessment that municipality represents. There is no appeal of this amount. In 1976 the Region's own portion of our property tax was 10.2%.

7. **The City of Waterloo** which has to collect the taxes for the other six bodies then sets its own budget and sends out its tax bill. In 1976 the City's portion of property taxes was 29.3%.

Because most people are not aware of all this (as shown in a recent survey by the Waterloo Region Review Commission) it is little wonder our elected City and Regional representatives cannot seem to convince us that they are not able to control property taxes. Between them they control less than 40% of the tax bill.

All this is not just our opinion. We went over this with staff of the Palmer Review Commission and they told us that we were essentially correct in our facts.

Under these conditions, we can be forgiven for asking who is guarding the till and deciding for us which needs of the community will be met and which will have to wait until we can afford them. The answer appears to be "NOBODY".

Perhaps it was this kind of chaos that led California voters to pass proposition 13 which cut their property taxes 60% across the board without regard to the effect this would have. If we are to avoid that kind of over-reaction in Waterloo, we are convinced that some set of elected representatives must have control over local spending. It's a matter of millions.

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The other major weakness we see in the provincial relationship with local government is the conditional grant.

Conditional provincial grants for local government services do not meet with favour if any of the three principles are used. Conditional grants are not good for anybody or anything except those who have an interest in spending as much as possible on a particular service. Conditional grants are restraint's worst enemy. They induce local government to spend money on facilities and programs they do not necessarily want or need. They tie together provincial and local bureaucrats in a morass that frustrates political priority-setting and encourages maximum spending to achieve maximum grants.

The practical effects of conditional grants can be seen in every community in this Province. We have communities where the rivers run foul with untreated municipal sewage but the schools have extravagant auditoria, audio-visual equipment and the latest in consulting wisdom. We have arenas being constructed by interest groups with access to a special kind of conditional grant – Wintario – but the maintenance costs are often left to the local taxpayer.

In the Region of Waterloo there have been several recent examples of conditional grants warping spending priorities, not out of any deliberate effort by the Province, but as the inevitable result of its grant structure. For instance, the Province pays a 50% grant to conservation authorities to provide recreation facilities. This grant is not available to municipalities. As a result, Chicopee Ski Hill which the City of Kitchener had been approached to take over as a municipal recreational facility was acquired by the Grand River Conservation Authority. The City, not having grant money available, deemed the project to be too expensive. The Grand River Conservation Authority, however, was eligible for a provincial grant and proceeded to improve the facility at substantial cost. However well used the facility has become, this example demonstrates the priority distortion effects of conditional grants and the tendency of such grants to special purpose bodies to encourage overlap into the areas of municipal jurisdiction.

A second example of the counter-productivity of even the most sensible conditional grant is the now notorious Preston School issue. This was a case of a landmark in downtown Preston requiring extensive renovation if it was going to continue to be used as a school. To build two new schools instead of renovating the historical

old structure would have allowed a somewhat better distribution of schools in north Cambridge but would have cost somewhat more than renovating the old school. It would also have entailed abandoning the old school in the heart of town — a course opposed by the community in strong terms.

At one of our hearings an official of the Board of Education agreed that on the merits of the case, the Board would probably have renovated the old structure. Enter the Ministry of Education's capital support grants and we find that the more expensive course is transformed to the less expensive course. The Ministry will pay lower grants for renovation than it will for construction of new buildings.

Thus, two new schools are built; the Preston School became a vacant derelict and a site of great concern to architectural conservationists. Meanwhile the taxpayer in total paid more for the product he did not really want than he would have for his apparently preferred product.

There were more than 40 conditional grants given to Waterloo municipalities last year amounting to \$20,000,00. In addition special purpose bodies in Waterloo received \$68,500,000. Of the total provincial contribution to local government 85.32% was in the form of conditional grants.

The first five chapters of this report are designed to treat the symptoms of the immediate problems the Region faces. They constitute a prescription for a patient that requires immediate medication if he is to recover his health. This chapter and the next one provide a more long-range regimen that will prevent the patient from contracting the same disease again.

**Recommendation 12.1:** That the Province expand the delegation of responsibilities to local governments subject to some assurance that the municipalities to which each function is delegated is a sound local government capable of carrying out the function.

**Recommendation 12.2:** That the Province explicitly recognize that some municipalities have a greater capacity than others to carry out government functions.

**Recommendation 12.3:** That for each function of government that could be a local function, the Province establish a set of criteria to determine upon what basis a municipality might qualify for delegation of that function.



**Recommendation 12.4:** That the Province undertake to co-ordinate its various ministries so that they reflect a consistent policy on local government. That policy should be based on a recognition of the importance of a strong system of local government and a common definition of the characteristics of a good system of local government.

**Recommendation 12.5:** That the Province continue to implement its stated policy of reducing the number of local special purpose bodies and begin to restore to municipal councils statutory responsibilities now vested in separate local agencies.

**Recommendation 12.6:** That the Province develop less distortionary and expensive methods of controlling local governments than conditional grants. As a minimum, the reduction of grants as recommended by the Grant Reform Committee should be pursued (although not necessarily their redistribution of functions).



# Long-Range Funding Alternatives

## Introduction

A perceptive reader will have concluded that this Commission is concerned about the present provincial/local financial relationship. There is no single factor which more completely ties local government to various provincial ministries than the way in which it is funded. It is not going too far to state that at the moment some ministries of the Provincial Government through their funding arrangements tend to treat municipal government as an arm of their administrations and all too many local governments look at themselves in this same light.

While the Province has recently made great strides in improving the structure and ability of local government to make decisions by instituting regional government, it has not made the most fundamental decision which is required in order for these difficult, even traumatic re-organizations to bear their full potential.

In the preceding chapter we made the point that not all municipalities are equally capable, equally competent and equally likely to perform their duties well. In this chapter we want to explore the financial relationship that the Province should have with those local governments which, without doubt, have the capacity to resolve local problems and establish local priorities without close provincial control.

The Regional Municipality of Waterloo is such a municipality, as are most if not all of the municipalities within it. In the eighteen months we have been in this Region, we have been impressed with the ability and wisdom of the participants in the local government field here. The municipal treasurers are as qualified as provincial accountants and financial policy advisors; the municipal engineers are as qualified as provincial engineers; the municipal social workers and social administrators are as qualified as the provincial social workers and social administrators; the municipal policemen are as qualified as provincial policemen; and in several other fields we

believe municipal employees generally have a realistic and qualified view of the programs with which they deal.

The preceding twelve chapters have outlined in some detail many weaknesses in the system, both administrative and political, and have recommended ways to overcome them. When they have been overcome, we are convinced that local government in Waterloo will deserve a great deal more independence from Queen's Park than has been granted to date.

The major instruments of provincial control, as we have often stated, are special purpose bodies, conditional grants and legislative regulation. Our recommendations would eliminate a great many special purpose bodies; for many others, we believe the statutory authority should be withdrawn. Many of our recommendations have suggested de-conditioning provincial grants while in others we have suggested removal of provincial controls. All in all, however, this has been a fairly ad hoc process. In this chapter we wish to explore a more fundamental reform of local government which focuses on its ability to generate its own revenue.

## Funding

A variety of studies, most notably the Smith Committee on Taxation and more recently the Provincial Municipal Grants Reform Committee, have recommended major changes to the provincial funding system for local government. In the main these changes have not taken place. They have not taken place largely because provincial ministries have a strong interest in ensuring that municipalities continue to be dependent on conditional grants. Historically, the various ministries have found the use of conditional grants very effective in promoting their programs. It can be argued that the promotion of individual programs is more important to our collective well being than is the exercise of local democracy. In some cases, at some times, this view may have been appropriate, since local government has not always performed well. This is not the case in Waterloo. In our view the purposes for which the Province pays conditional grants in this Region could be served as well through the establishment of minimum standards which local government could meet. The Province, if it is serious about giving local government the capacity to resolve its own problems, should find a better avenue for

local government funding.

We believe there are three ways in which the Province can relieve the financial plight of local government in Waterloo and in other areas that have a strong municipal system. First, the Province could reduce the number of programs for which local government is responsible. Basically, this would allow the property tax to be the main or whole source of support of the remaining local government programs. Second, it could embrace a block grant system which would focus upon a needs and resources formula and avoid the rigidity and expense of conditional grants. Third, and most radically, it could make property taxes a deduction from income tax and extend the provincial property tax credit system to ensure that the poor and those with young families did not suffer.

Through any or all three of these mechanisms the Province could provide local government with sufficient funds to make unnecessary the plethora of conditional grants which it now provides the system. In our research we looked at each of these possibilities and discovered, not surprisingly, that there are difficulties and problems with each. We have not had the mandate to examine these proposals in sufficient detail to say with any degree of certainty that they could readily be implemented. All of them, however, were sufficiently encouraging to suggest that they are worthy of further exploration. We will briefly discuss our views on each of these alternative methods of financing local government.

### **Reducing the Responsibilities of Local Government**

While on the surface this may appear to be a case of "robbing Peter to pay Paul," reducing the responsibilities of local government in fact might be among the easiest and most effective methods available to the Province for solving the funding problem. At present education consumes 43% of the property taxes raised in this Region. In many ways education has ceased being a local government function as it is largely controlled by the Provincial Government. This Commission has not been empowered to determine whether or not the Province's degree of provincial control over education is sufficient or appropriate. However, we have observed on several occasions that the split of taxing responsibilities between municipalities and education authorities leads to a great many difficulties. If the Province were to assume 100% of the cost of education in the Region of Waterloo, several advantages would accrue:

- Approximately \$40 million in property tax would be freed up to be applied to other local government purposes.
- The Province could then reduce its conditional grants to local government by 100% as well as reducing its unconditional grants substantially. In 1977 grants to municipal government amounted to \$35 million.
- Municipal government would then not depend upon the Province for any grants other than those required to ensure sufficient resources are available for general purposes (resource equalization grants).
- Local government could then, for the first time, begin to set priorities and make decisions about what services the people in this area really do want or do not want and no longer be caught in the invidious position of having to decide between programs for which they get paid 80 cents on the dollar, 50 cents on the dollar or nothing, regardless of the need within this community.
- A number of accountants and other civil servants required to keep track of the conditions which local governments must meet in order to get the grants would become unnecessary.
- Waterloo Region could become a pilot project and demonstrate to the Province that in fact a responsible system of local government could do what its residents want of it at a price below that which is induced through the conditional grant system.
- The Province could still ensure that a minimum standard of service is provided through regulations and monitoring of the system.

There are a large number of complex difficulties to be resolved revolving around problems of the relatively weaker and less flexible role of education authorities occasioned by this proposal. We have examined many of these and concede that a great amount of work would be necessary before this proposal could be acted upon. Three examples of the many problems to be overcome are:

- The boards of education would no longer have a tax discipline to prevent them from increasing their spending.
- Considerable adjustment in resource equalization grants would be required to ensure that communities which receive a larger percentage of grants than others do not suddenly face tax increases as a result.



- School boards would lose the relatively small degree of flexibility they now have in their collective bargaining process.

None of these problems is insuperable. Perhaps the most effective way to cope with the first problem is for the Province to develop a property tax replacement grant and pay it to the boards of education separately from its other education grants. Then, for a trial period of perhaps four or five years, the amount of the property tax replacement grant to the Waterloo County Board of Education and the Waterloo County Separate School Board could be geared to the provincial average increase in property tax for education purposes. Through this mechanism the local education authorities would continue to have access to an expanding revenue source.

The second problem is basically actuarial. The Province must determine the difference between the relative rates of grants which it pays various municipalities and adjust the resource equalization grant so that no municipality would face increases due to this change. The third problem might entail some form of provincial involvement in the collective bargaining process. This proposal, laid out in such brief terms here, is much like the proposal being seriously discussed in the Province of Quebec for municipal government there. We understand that municipal authorities in Quebec are submitting that proposal to close scrutiny and we suggest that Waterloo politicians might benefit from their study. In any event, we believe that local politicians in the Region of Waterloo are sufficiently responsible and anxious to reduce provincial control to make such a system work here.

### **Block Grants**

The approach to municipal finance known as block grants is neither new nor revolutionary. However, it is very different from the present provincial method of funding local government in Ontario. This system would entail the Province determining the relative needs of every municipality in Ontario, the relative ability of those municipalities to meet those needs and then paying to each municipality the amount of money which it believes the Province should pay to meet local requirements.

The key here is that the funds would be paid unconditionally. The assessment of needs would be provincial. Satisfaction of needs would be local. Within this proposal there is ample room for the Province to continue to exercise control over those local government



services in which it believes it has an interest. For example, without resorting to conditional grants, the Province could set absolute standards for the level of sewage effluent which it will permit to be exhausted from municipal sewage treatment plants. Similarly, the Province could establish mandatory output standards for public health services, roads, social services and other fields in which provincial interests are at stake.

The attractions of the block grant approach are simple.

- Local government would be relieved from the time-consuming and expensive process of conforming to every changing nuance of provincial opinion in order to maximize the total number of dollars it could garner from the provincial coffers.
- The vast number of civil servants presently involved in administering conditional grants and ensuring local government conformity with the details of “administrivia” would be unnecessary.
- Local government would have an incentive to provide its services in the most efficient way possible. At present in many services the reverse is true — for every dollar local government manages to spend it can attract provincial dollars. Thus, the incentive is to spend more not less. Perhaps Wintario epitomizes the incentive for spending which the Province now provides to local government.
- It would allow those services which are not of utmost provincial importance and not of local priority to be funded at a lower level than now required through the provincial conditional grant system. This in turn would either allow more funds to be spent on matters of high priority or allow a reduction in taxation.

The introduction of a block grant system across Ontario would entail a re-evaluation of programs in practically every Provincial Government ministry. Parts of the Ministry of Transportation and Communication, the Ministry of Natural Resources, the Ministry of Education, the Ministry of Community and Social Services, the Ministry of Culture and Recreation and the Ministry of Treasury and Economics exist solely to provide funds to local government. A pilot project in the Region of Waterloo would allow an evaluation of what savings such an approach would yield.

## Property Tax as a Personal Income Tax Deduction

The deduction of property tax from personal income tax has recently come into prominence because of invidious comparisons being drawn between Canada and the United States where such a deduction is practised. If property tax were deductible from taxable income and the property tax credit system extended to those whose income tax payable is smaller than the amount of their property tax, we would find ourselves in a position where the property tax was among the most progressive and useful taxes available. This approach would mean that the Province could reduce all of its grants again, except for equalization grants, and allow local government to raise all of its own resources through the property tax.

Those who are trying to raise families or are living on fixed incomes would be protected from onerous increases in taxation by the property tax credit system and the fact that it was related to income taxes payable. On the other hand, those who are sufficiently wealthy to have developed methods of avoiding the full impact of income tax would be faced with the prospect of paying full taxes on their real estate holdings.

We have made no pretence of examining the various dislocations involved in such a proposition. Indeed, we are aware of several studies which have examined this possibility in some detail and understand that it is a complex and treacherous field. Nevertheless, we do believe that by far the most effective way of ensuring a good system of local government is to allow that system to establish its own tax rate. The only equitable and progressive way this can be done would be to relate the property tax to personal wealth or taxable income.

**Recommendation 13.1: That the municipalities of Waterloo Region petition the Province of Ontario to establish it as a pilot area to be freed from the constraints of conditional grants, and provide it with funds through one of the three following mechanisms or some variation thereof:**  
 (a) Property tax replacement grant for education; (b) block grants; (c) deduction of property taxes for income tax purposes.

**Recommendation 13.2: That the Province of Ontario consider designating the Region of Waterloo a pilot area for the elimination of conditional grants in favour of one of these broader forms of funding.**

# PART SIX

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## Recommendations

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# List of Recommendations

We recommend that:

**Chapter Two      How Well Is Regional Government In Waterloo Working?**

- 2.1                      The Province and local governments should direct their energies to improving the present system rather than revert to the former system. While the system of local government now in place in Waterloo Region has some problems, the previous system was inferior and not much less expensive than that now in place.

**Chapter Four      Should Cambridge Secede From The Region?**

- 4.1                      The City of Cambridge remain part of the Region of Waterloo.
- 4.2                      The Provincial Government make an early announcement to that effect in order that Cambridge councillors may concentrate on improving the system now in place.
- 4.3                      Cambridge Council co-operate with the other municipalities in the Region to improve and strengthen the present system of local government.

**Chapter Five      Other Structural Issues**

- 5.1                      No boundary changes take place other than those agreed to by the various municipalities. The benefit to be derived from any change in boundaries is relatively minor and the energy expended in trying to do so over the opposition of a neighbouring municipality will detract from early action on the vital changes which are required.



## Chapter Six Representation and Decision Making

- 6.1 All regional councillors continue to sit on both local and Regional Councils, but that those who wish to sit on Regional Council must indicate that in advance of the election and be elected "regional councillor" by the electorate (similar to the present Wilmot councillor-at-large system).
- 6.2 City representation on Regional Council be set at one representative for every 12,000 residents instead of the present one representative for every 15,000. Thus Kitchener would have eleven members, Cambridge six and Waterloo four.
- 6.3 Rural representation be based on a minimum of two representatives per municipality, plus one member for every 5,500 residents over a population of 10,000.
- 6.4 In all municipalities except Kitchener and perhaps Cambridge, the regional councillors be elected at-large across the whole municipality and that Cambridge council consider the at-large system.
- 6.5 Only those municipalities whose large population virtually requires a ward system have wards; all others should have the local council elected at-large.
- 6.6 Cambridge reduce or eliminate its wards for the 1980 elections. Specifically we recommend any one of the following:
  - (a) 5 wards, from each of which one regional councillor is elected and one local councillor is elected. (11 member council) If a large (16 member) council is preferred, two local councillors could be elected from each ward.
  - (b) 5 wards, each electing one local councillor. The 5 regional councillors would be elected at large. (11 member council)
  - (c) No wards. Every voter in Cambridge would vote for the mayor, the 5 regional councillors and however many local councillors are decided upon.
- 6.7 Kitchener continue its present ward system of

- election to local council and all ten councillors elected to local council sit on Regional Council.
- 6.8 No wards be introduced in Waterloo and that all councillors including the mayor and three regional councillors be elected at-large.
- 6.9 All councillors, local and regional, be elected at-large within each of the four townships.
- 6.10 Council continue to have the option to appoint someone not on council as chairman; however, if the regional chairman is elected from the Regional Council, he should keep his seat on local council.
- 6.11 Mayors of local municipalities be prohibited from sitting as mayor and regional chairman at the same time.
- 6.12 The regional chairman, where applicable, continue as a regular member of local council, but that local council endeavour to minimize his duties.
- 6.13 On Regional Council the chairman continue to have a tie-breaking vote. However, to avoid effectively disenfranchising his constituents, if the chairman is an elected person, he should have a tie-making vote as well. On any occasion the chairman will have but one vote either to make or break a tie. (A tied vote is a lost vote of course).
- 6.14 The term of office for municipal councils at least in Waterloo Region be extended to three or four years from the present two years.
- 6.15 The chairmen of the major regional government committees become full-time politicians with offices in the departments for which they are responsible and receive pay commensurate with their duties.
- 6.16 Committee chairmen “carry” their departments’ business to council, explain it to the public and ensure that their departments follow council’s decisions.

## **Chapter Seven Administrative Issues**

- 7.1 The Province continue to work towards a uniform assessment system across the Province and that

- inequities between classes of property in Waterloo Region be removed as quickly as possible.
- 7.2 The Province in conjunction with the various municipal associations undertake to develop an integrated municipal information system which would be kept permanently up to date and which would provide demographic, financial, service and functional information necessary or useful to the Provincial Government, municipalities and perhaps even ratepayer groups and private industry.
- 7.3 Only information which is of a strictly confidential nature be excluded from such a system.
- 7.4 Before any ministry or provincial agency requests data of any municipality or municipalities it ensure that those data are not available through the central municipal information system.
- 7.5 The efforts toward the establishment of a purchasing co-operative continue and that all local government authorities within the Region of Waterloo examine the benefits of participating in such a co-operative.
- 7.6 A steering committee be established among the various local government authorities in the Region of Waterloo who use electronic data processing, to ensure that the purchase of any new equipment by any of the authorities in the Region is compatible with the equipment in the possession of other authorities so that a computer co-operative may be established in the future.
- 7.7 Efforts towards the establishment of a computer co-operative be started through this steering committee and that insofar as possible the technological obstacles be evaluated and overcome.
- 7.8 The Regional Municipality, Waterloo County Board of Education, and other upper-tier authorities in Waterloo form a committee to investigate the alternatives for the construction of a Regional Administrative Headquarters in the vicinity of Highway 8 or the new alignment of Highway 8

- between Highway 401 and Fairway Road. Further, that until such time as this proposal has been explored, the Board of Education defer any attempt to acquire a site independently.
- 7.9 The municipalities establish a customer services committee for the purpose of developing a “one window” system wherein a resident can obtain information, forms and approvals for all local government authorities from any municipal office.
- 7.10 The Province or one of the municipal associations work closely with this committee in order to develop a prototype which may be of use in other areas.
- 7.11 Until the education/municipal relationship is rationalized, the local municipalities should continue to collect education taxes.
- 7.12 Education authorities make every effort to provide a maximum number of education facilities available to the public, and that the school authorities and municipalities arrive at a cost-sharing agreement to make this feasible. In any event, the school boards must not limit community use of schools in the absence of such an agreement.

## **Chapter Eight      Protective Services**

- 8.1 The Council of the Regional Municipality of Waterloo be responsible to provide municipal policing in the Region, and that the Waterloo Regional Board of Commissioners of Police be eliminated and its powers be vested in the Regional Council.
- 8.2 The Council of the Regional Municipality appoint a Police Committee to advise the council on matters of police budget and policy, and to perform any aspects of police force management that may be delegated by the Regional Council.
- 8.3 The Regional Council consider appointing private citizens to the Police Committee, provided that such people not be eligible for the position of

committee chairman and not outnumber councillors.

- 8.4 No conditional grant for municipal policing be introduced. Further, that the difference in the unconditional grant between regional and non-regional areas be maintained because of the higher quality of criminal intelligence and other services and because of the savings to the Province through reduced Ontario Provincial Police costs.

## **Chapter Nine      The Physical Services**

- 9.1 Regional Council establish and adopt a set of criteria with which to re-evaluate the regional road system, emphasizing the demonstrated and projected intermunicipal significance of those sections of road which should be regional responsibilities. That the regional roads which do not meet the criteria be reverted to local control, in a staged fashion if deemed necessary by Regional Council.
- 9.2 No change take place in the operating responsibility for regional road maintenance in the townships. As a long-range objective, however, we would suggest that Regional Council keep in mind for future consideration the possibility of delegating regional road maintenance to all four township municipalities.
- 9.3 The Regional Council be empowered formally to delegate to the city councils the responsibility to maintain, keep open and in repair regional roads in each city. The city councils would gain full responsibility for maintenance decisions and costs on these roads. As a prerequisite of such delegation the Regional Council should require from city councils such information as it considers necessary.
- 9.4 The Region's power to approve local traffic by-laws be repealed except in relation to those which apply within 150 feet of a regional road.



- 9.5           The legislation be repealed which authorizes the Regional Municipality to pass zoning by-laws regarding land within 150 feet of a regional road.
- 9.6           The Province adjust its road funding to eliminate the distortions it now creates, and to provide for simplicity of administration. To do so, we recommend that the funds currently used for road subsidy be transformed into an annual unconditional grant based upon an appropriate formula. Whether or not done Province-wide, this should at least be done in Waterloo Region.
- 9.7           When the replacement of road subsidies is accepted in principle, a committee be struck to arrive at and recommend a workable formula to the municipal councils and the relevant Provincial Ministers, and to monitor the program when changes have been made.
- 9.8           In addition to the seven mayors, all members of hydro commissions be appointed for a two-year term by the city and township councils, that is, no commissioners should be elected separately.
- 9.9           There be no restriction upon the number of council members which each council may appoint to its positions on the local hydro commission.
- 9.10          Every effort be made by the three commissions and the seven area municipalities to consolidate operations or to use joint services where the promise of operating cost reductions exists.
- 9.11          In the long term, hydro-electric distribution become the direct responsibility of area municipal councils if an appropriate rural/urban rate equalization scheme and level of technical capacity can be demonstrated. Otherwise, the responsibility should be assumed by the Regional Council. Council could of course appoint a committee of interested volunteers to assist it in the management of the function.
- 9.12          The Regional Council not participate in the establishment of a regional development corporation.

- 9.13 The Act to Establish the Regional Municipality of Waterloo be amended to clarify that the Regional Municipality may directly provide water to or collect sewage from the owners of land which has been designated in the Regional Official Policies Plan and subsequently zoned for industrial development.
- 9.14 The Ministry of the Environment 15% subsidy for trunk water or sewer projects be eliminated, the money to be transferred in an annual unconditional form to the regional and area municipal councils.
- 9.15 The Province of Ontario amend Section 21 of the Planning Act to give it more effective meaning. Specifically, where an approved official plan contains relevant policies concerning location, method of acquisition, method and conditions of disposal, and need and purpose of acquiring land, municipal councils should be empowered to acquire, develop, and dispose of land for the purposes of implementing proposed features of the official plan concerning housing, commerce, industry, institutional use, agriculture, open space, or rare environmental features.
- 9.16 Barring the implementation of Recommendation 9.15, the Act to Establish the Regional Municipality of Waterloo should be amended to empower both the regional and area municipal councils to acquire, develop, and dispose of land to implement any proposed feature of an approved official plan concerning housing, commerce, industry, institutional uses, agriculture, open space, or rare environmental features, provided that the approved plan contains policies which specify the need and purpose of such acquisitions, its location, the methods and conditions to be used in acquisition, and the methods and conditions to be used in disposal of the land.
- 9.17 Barring the implementation of Recommendation 9.16, the Act to Establish the Regional

Municipality of Waterloo be amended to empower the Regional Council to acquire, develop, and dispose of land to implement any feature of the Regional Official Plan concerning industry, provided that the Regional Official Plan also contains policies which specify the need and purpose of such acquisition, the location and staging of development, the method and conditions proposed for acquisition, and the method and conditions proposed for disposal of the land.

- 9.18 The Ministry of the Environment (M.O.E.) should cease operating the sewage treatment facilities in the Region of Waterloo. Their operation should be assumed by the Region Municipality of Waterloo to whom M.O.E. should transfer or second existing operating and supervisory staff.
- 9.19 The Ministry of the Environment should delegate to the Regional Municipality of Waterloo its power of approval over the design of sewer, storm sewer and water mains in the townships which, in its opinion, do not have adequate staff to ensure proper design. The Ministry should delegate this design approval power directly to the Cities of Cambridge, Kitchener and Waterloo.
- 9.20 The Province of Ontario and the municipalities of the Grand River watershed undertake to solve the urgent and growing problems of water supply and control in the Grand valley.
- 9.21 The Grand River Conservation Authority not be given the powers required to control the waters of the Grand – taxing, development control, water supply, sewage treatment, and an electoral base – as an expedient to solving the problems.
- 9.22 The Province and municipalities study the proposals to disband the Grand River Conservation Authority and replace it with a more effective decision-making process.
- 9.23 In the event that the decision to disband the G.R.C.A. is made, the staff and management of

the G.R.C.A. be retained by the Province and the appropriate local governments because of their proven excellence in the field.

9.24

The Province should afford the Regional Municipality of Waterloo (and any other municipal jurisdiction within the Grand River watershed with similar capacity) the utmost latitude and authority within provincial water management policies. For example, in the event the G.R.C.A. is disbanded, the Region and other municipalities should continue to be involved in further studies of the Grand, and the Region should acquire both the authority and funds related to Doon Pioneer Village, and the responsibility for all development control powers now exercised by the G.R.C.A.

## Chapter Ten

### The Human Services

10.1

The Regional Municipality of Waterloo be given responsibility to administer both the General Welfare Assistance and the Family Benefits programs including the intake and processing of applications, decisions as to the granting of assistance, and follow-up work with clients aimed where possible, at their re-entry into employment. The appropriate staff should be transferred without loss of pay from the Ministry of Community and Social Services to the Regional Health and Social Services Department.

10.2

The General Welfare Assistance and Family Benefits programs be completely amalgamated on a negotiated trial basis as soon as possible. Failing a broad financial reform such as that discussed in Chapter Thirteen, the Ministry of Community and Social Services should pursue the amalgamation of the two programs in the Region by means of a block income maintenance grant or a single cost-sharing agreement at something close to 90% provincial support which would replace the present provincial assistance rates of 80% and 100%.

- 10.3 Family and Children's Services of Waterloo Region be disbanded and the staff and responsibilities of that organization be assumed by the Regional Municipality of Waterloo.
- 10.4 The Department of Health and Social Services be re-organized into four divisions: a Child Welfare Division, an Income Maintenance Division, a Public Health Division and a Sunnyside Home Division and perhaps a Juvenile Probation and After-Care Division.
- 10.5 Failing a fundamental reform of local funding as discussed in Chapter Thirteen, the Province continue to treat temporarily the Family and Children's Services as a separate program for budget purposes only, but ensure that it does not penalize the Region by cutting the Family and Children's Services grant as a result of administrative economies the amalgamation might produce.
- 10.6 All other programs concerned with child welfare such as the juvenile branch of the police department, the special education and guidance programs in schools, group homes, family court and private agencies should ensure maximum co-ordination with the Regional Health and Social Services Department through outright integration where practical, and otherwise, through a senior management committee such as the Coalition for Public Programs for Social Development.
- 10.7 The Regional Council, acting with the formal advice of the Social Resources Council, should be entrusted with the responsibilities which are being envisioned for "Children's Services Committees" by the Ministry of Community and Social Services.
- 10.8 The Social Resources Council function as an advisory body to the Regional Council, allied to the Health and Social Services Committee of Regional Council.
- 10.9 The Chairman of the Health and Social Services Committee be a vice-chairman, ex-officio, of the



- Social Resources Council in order that there may be a formal channel of communication between the two bodies.
- 10.10 The present 75% funding arrangement by the Ministry of Community and Social Services be eliminated. The present level of provincial funding in respect of the Social Resources Council should be transformed into an annual unconditional grant to the Regional Council.
- 10.11 The staff support needed by the Social Resources Council be seconded from the staff of the Regional Social Services Department. Specifically, the Social Resources Council Executive Director should become a regional employee.
- 10.12 The Ministry of Health cease its use of conditional incentive grants for community health programs in the Region of Waterloo.
- 10.13 The level of provincial funding for community health services in the Region of Waterloo be maintained but transformed into an annual unconditional grant to the Regional Council.
- 10.14 The Regional Council continue to exercise direct responsibility for community health services.
- 10.15 The Waterloo Region District Health Council "report through" the Regional Council to the Ministry of Health.
- 10.16 The Chairman of the Regional Council's Health and Social Services Committee be vice-chairman, ex-officio, of the District Health Council.
- 10.17 The District Health Council be a strictly advisory body and not in any way be responsible for provision of services or funding control of health services.
- 10.18 The Regional Council appoint the Kitchener-Waterloo Hospital Commission for a term coincident with that of council. The Commission should consist of: the Regional Chairman and Chairman of the Regional Health and Social Services Committee; the Mayors of Kitchener and Waterloo; five residents of

- Kitchener; two residents of Waterloo; one resident of each of Wellesley, Wilmot and Woolwich Townships.
- 10.19 The Regional Council be responsible to approve use of the Kitchener-Waterloo Hospital's operating surplus, and have the authority to approve the acquisition of land and buildings by debenture issue or from the hospital's operating revenue.
- 10.20 The practice whereby the Waterloo County Board of Education and the Waterloo County Separate School Board appoint members to the Cambridge, Kitchener and Waterloo Library Boards be eliminated.
- 10.21 The city councils have no upper or lower limit on the number of council members that they may appoint to their respective library boards.
- 10.22 The city council have formal authority to approve the annual library budget and any other matters of library policy upon which it wishes to make the final decision.
- 10.23 The library be integrated with city operations as a department of city government using the same salary schedules and benefits packages as well as accounting and computer services.
- 10.24 The provincial library grants to all municipalities in the Region of Waterloo be transferred to the annual unconditional per capita grant paid directly to the appropriate municipal council.
- 10.25 The Regional Council assume responsibility for the ownership and management of Doon Pioneer Village; other historic sites of region-wide appeal as determined by the Waterloo Regional Heritage Foundation; managing and supporting fund raising for preservation and restoration projects recommended by the Heritage Foundation; and making architectural research and other staff assistance available, upon request, to Local Architectural Conservancy Advisory Committees and other local groups.
- 10.26 The staff support currently or prospectively

involved in the performance of the preceding responsibilities (Recommendation 10.25) become direct employees of the Regional Municipality of Waterloo.

10.27

The Waterloo Regional Heritage Foundation as presently composed be continued as an advisory body to the Regional Council for the following purposes: (a) to advise the Regional Council about properties which merit and require preservation and restoration, and the means available to undertake such projects; (b) to direct fund raising campaigns for heritage projects on behalf of the Regional Council; and (c) to be used as a board of management for Doon Pioneer Village or other heritage projects, except for annual budget approval.

## **Chapter Eleven Planning**

11.1

The Regional Council follow guidelines such as the following to decide upon matters of legitimate regional policy concern:

- Matters where actions which are permitted or undertaken by one municipality would have a significant and demonstrable impact upon the physical or economic well-being, quality of life, or tax rates of residents in another municipality.
- Matters where one municipality's failure to permit or undertake certain actions would have a significant and demonstrable impact upon the physical or economic well-being, quality of life, or tax rates of residents in another municipality.
- Matters which have in the past been the subject of dispute between municipalities.
- Land uses and services in the immediate vicinity of municipal boundaries.
- Any matters where the Province or other agencies now exercise certain powers for planning and development control which the Province is willing to delegate to the Region but not to the area municipalities.

- 11.2 The Regional Official Policies Plan be reviewed with the intention of deleting or clarifying statements whose legal meaning or force is doubtful. Such would be the case, for instance, with many of the statements which commit the Regional Municipality to “encourage” local municipalities to do something which is entirely at local municipal discretion.
- 11.3 The Regional Official Policies Plan be reviewed with the intention of including, wherever possible, clear and objectively measurable criteria to be used as the basis of decision on local plans or developer proposals. The Regional Municipality risks creating hostility by retaining a power to affect the outcome of such plans and proposals without it being known in advance what the Region is trying to achieve.
- 11.4 Regional Council should, where possible, adopt specifications for types of studies which are required by regional policy and which will be the basis for regional discussions on plans and proposals. More clearly established specifications for such studies as environmental impact studies, retail impact studies, and studies of the need to use land in areas designated as an agricultural resource for non-agricultural use would answer much of the criticism which has been heard.
- 11.5 In each new term of council, the Chairman of the Regional Planning and Development Committee (with staff assistance as may be required) lead a seminar for regional councillors in order to introduce them to the policies and reasoning of the Regional Official Policies Plan, the Region’s experience with using and interpreting the plan, and any upcoming revisions, refinements, ancillary studies, or other issues.
- 11.6 The Regional Planning and Development Department should, as soon as possible, consider preparing a checklist of items selected from the Regional Official Policies Plan for reference by the

local councils in preparing local plans. This extract should be adopted by the Regional Planning and Development Committee and Council and circulated to local councils and planning departments.

- 11.7 As suggested in the Commission's research report, Planning Administration and Development Control, any formal comment which the Region makes on a local plan should come directly from the Regional Planning and Development Committee or its Chairman prior to the adoption of the plan by local council.
- 11.8 In order to stress the importance for local municipalities to complete Area Municipal Official Plans and community plans for major development areas or new settlements, the Regional Planning and Development Committee offer the technical research and advisory assistance of its staff in regard to those aspects of local plans which the Regional Official Policies Plan affects.
- 11.9 The Regional Council consider assigning a qualified individual for work on the environmental planning issues such as the distribution of plant and wildlife species, flood plain mapping, soil features and so on.
- 11.10 The Regional Council negotiate with the area municipal councils a schedule for the early completion of Area Municipal Official Plans and zoning by-laws.
- 11.11 The Regional Council should continue to have the power to approve Area Municipal Official Plans, community plans, and settlement plans, including the power to reject or modify features of these plans. The power of approval must be exercised strictly on the following grounds: (a) conformity with all requirements of the Regional Official Policies Plan; (b) meeting the requirements for the provision of regional services.
- 11.12 The Environmental Assessment Board stipulate the types of information, the requirements for



public participation and the procedures which must be followed by the Regional Council in order to meet the intent of the Environmental Assessment Act. Further, that it require documentation that the Regional Municipality has presented the information and followed these requirements in making its decision.

- 11.13 Alternatively, the Regional Council notify the Environmental Assessment Board of its intention to pursue a project requiring an environmental assessment, and the Environmental Assessment Board dispatch one of its hearing officers to be present during the Region's decision-making process in order to indicate his satisfaction with the information and procedures used. Only if the Region's hearings are deemed insufficient would another hearing by the Environmental Assessment Board be necessary.
- 11.14 The Ministry of Natural Resources and the Regional Municipality explore potential grant, rebate, or tax relief schemes for the owners of land in Environmentally Sensitive Policy Areas who consent to retain the land in its existing use.
- 11.15 The Ministry of Natural Resources end its practice (at least in the Region of Waterloo) of subsidizing the purchase of environmentally sensitive land by the Grand River Conservation Authority and that the Province transfer equivalent funds to the Regional Municipality.
- 11.16 The Region begin a practice of systematic purchase of lands which, for environmental reasons, should never be developed.
- 11.17 The present powers of the Grand River Conservation Authority to issue fill permits within the regional area be delegated to the Regional Council and, where feasible, to the area municipal councils. In areas outside this Region and other regions to which the Province delegates this power, the Grand River Conservation Authority could continue to perform these functions until its future is decided.

- 11.18 The Province delegate its licensing power under the Pits and Quarries Act to the Regional Municipality. In doing so, it should stipulate, by amendment to the Regional Official Policies Plan if necessary: (a) targets for the licensed and available production of sand and gravel in the Region; (b) procedural information and public participation requirements for regional decision making on a license application; and (c) measurable criteria, where possible, concerning such matters as road requirements and distance for residences.
- 11.19 The Province delegate the powers of the Ontario Housing Corporation to the Regional Council. In addition, the Province should transfer, en bloc those funds which the Ontario Housing Corporation could have been anticipated to spend in the Region of Waterloo for the next five-year period. This block funding should be utilized completely at the discretion of Regional Council in order to help the Region's low-income residents meet their housing needs, subject to annual reporting to the Minister of Housing on the use of these funds.
- 11.20 As an alternative to providing block grants for this purpose, the Province consider giving the Region of Waterloo the Ontario Housing Corporation lands without liability. It is clear that those lands serve no provincial purpose and provide an opportunity to eliminate a conditional grant to the advantage of both parties.
- 11.21 The Province monitor the success of the Region in this undertaking in order to arrive at a policy on the suitability of municipal performance of this function, at least in highly sophisticated municipalities.
- 11.22 The councils of North Dumfries, Wellesley and Woolwich in the near future hire full-time planning staff to assist them in the exercise of increased planning and development control responsibility.

- 11.23            The councils of all four townships in the near future give the most serious consideration to establishing a jointly-sponsored legal office to assist them in the exercise of increased planning and development control responsibility.
- 11.24            The primary responsibility for approving subdivision plans rest with area municipal councils.
- 11.25            The area municipalities include in their community and settlement plans comprehensive policies on issues of regional servicing and regional planning significance in order to reduce the need for regional comment upon subdivisions.
- 11.26            The area municipalities, as a condition of subdivision approval, stipulate and enforce any policies of the Regional Council concerning the provision of regional services to new developments including the dedication of right-of-way and the payment of the regional development charge.
- 11.27            Prior to the draft approval of a subdivision plan, area municipal councils be required to circulate the subdivision plan for comment by the Regional Municipality, the Ministry of Housing, and such other agencies as it thinks necessary.
- 11.28            The Regional Planning and Development Committee be required to circulate such plans to regional departments and agencies, and to respond, if necessary, within sixty days of receipt, after which time the area municipal council may proceed with draft approval.
- 11.29            Official comment from the Region to local councils on such subdivision plans be made by the Regional Planning and Development Committee or its Chairman.
- 11.30            Zoning by-laws to implement the plan of subdivision be passed by all local councils at the same time they approve a subdivision plan.
- 11.31            Procedures and conditions for subdivision approval (as well as other department controls) be

published by each area municipality as a guide to councillors and applicants, and a check on performance. These procedures should also encompass procedures and conditions of the Regional Municipality.

- 11.32 Agencies which, on the basis of experience, prove not to benefit from or make use of prior consultation should not be circulated prior to draft plan approval, but notified subsequently.
- 11.33 Because the role of the Ontario Municipal Board to approve and record all zoning by-laws no longer serves a useful purpose, zoning by-laws come into force without Ontario Municipal Board approval as long as no objection has been lodged within thirty days of council's decision.
- 11.34 All area municipalities notify nearby property owners, the Regional Municipality and other agencies as appropriate prior to a decision by council, and provide an opportunity for comment and public participation. After reaching a decision, council should notify those parties who have requested notification.
- 11.35 The Ontario Municipal Board continue to hear and decide on appeals from the decision of council or council's failure to make a decision. (Note that only 5% of the zoning by-laws are presently appealed.) Thus, 95% of zoning by-laws would not require the consideration of the Ontario Municipal Board.
- 11.36 Municipalities not attempt to recover from the applicant the whole cost of processing a zone change, or any other development control. Since development controls are exercised primarily for the benefit of the public, the costs should be borne primarily by the public.
- 11.37 Prior to the adoption of a zoning by-law or amendment, area municipal councils be required to circulate the by-law for comment by the Regional Municipality and such other agencies as it thinks necessary.

- 11.38 The Regional Planning and Development Committee be required to circulate the by-law to regional departments and agencies, and respond, if necessary, within sixty days of receipt, after which time the area municipal council may proceed with the passage of the by-law.
- 11.39 Official comment from the Region to local council on such by-laws be made by the Regional Planning and Development Committee or its Chairman.
- 11.40 The area municipalities, as a condition of rezoning, stipulate and enforce any policies of the Regional Council concerning the provision of regional services to new developments, including the dedication of rights-of-way and the payment of the regional development charge.
- 11.41 The Land Division Committee be disbanded and the authority to grant consent for severances, subject to policies in the R.O.P.P., be placed with the area municipal councils.
- 11.42 The Committees of Adjustment be disbanded and the authority to grant minor variances from zoning by-laws be placed with the area municipal councils.
- 11.43 The local council circulate notice of severance or variance applications to property owners within 400 feet of the site, allowing twenty-one days for objections to be lodged in writing with the clerk.
- 11.44 Councils delegate to a council committee the responsibility to hear and report on any objections which arise from severance or variance applications. No hearing would be required to be held if, after notification of the application, no objections were received from the public.
- 11.45 Routine applications and technicalities be dealt with by the adoption of a planning staff report containing brief recommendations for approval. Councils should have the option to delegate the effective adoption of their reports to a council committee. Council should only hear applications



- which are recommended for refusal, where the planning committee has held a hearing for members of the public, or where the applicant or other party has appealed to the planning committee against a recommendation that is not standing council policy. In all such cases, council would make its decision by accepting or amending the report of the planning committee.
- 11.46 Where applicable, severance and minor variance or zoning be handled simultaneously by the local council.
- 11.47 Prior to a decision, the area municipality be required to circulate the severance or minor variance application to the Regional Municipality and such other agencies as it thinks necessary for comment within the same twenty-one day period as for public objection. If no comment is received within that time, the local council or planning committee should proceed with a decision.
- 11.48 Official comment from the Region to the local councils on such severance or variance applications be made by the Regional Planning and Development Committee or its Chairman.
- 11.49 The area municipalities, as a condition of consent for severance or minor variance, stipulate and enforce any policies of the Regional Council concerning the provision of regional services to new development, including the dedication of rights-of-way and the payment of the regional development charge.
- 11.50 An applicant for a severance or minor variance be entitled to a decision by the local council or planning committee within forty-five days of formal application.
- 11.51 Legal authority be granted to the regional and area municipalities to impose development charges as a condition of zone changes where prior policy statements justified such charges by demonstrating the impact on a new development or type of new development upon the cost of "hard" services.

- 11.52 The Region of Waterloo alter the present uniform unit levy policy to distinguish between housing types.
- 11.53 Similarly, the City of Kitchener, and to a lesser extent, the City of Waterloo and the Townships of Woolwich and Wilmot alter their current unit levy policies in order to distinguish between housing types.
- 11.54 All area municipalities follow the lead of the Regional Municipality and the City of Waterloo by including in their financial reports a detailed accounting of revenues to and expenditures from unit levy and impost reserve funds.
- 11.55 Unit levies not necessarily be based upon “site-specific” costs because of the difficulty of undertaking this calculation in high-growth areas, and in the case of the regional development charge, because of the “regional concept” regarding the region-wide distribution of the cost of new services. Area municipalities, however, should calculate their development charges from areas covered by community or secondary plans at the time such plans are prepared.
- 11.56 All area municipalities acknowledge regional service responsibilities in order that local levies not be based upon costs which will in reality be met through the regional lot levy.
- 11.57 The Regional Council be empowered to comment upon, reject or modify a development control decision of a local council, but only on the following grounds: (a) the development proposal as submitted fails to take account of any unique requirements regarding regional services; or (b) the development proposed fails to conform to a policy of the Regional Official Policies Plan or to a policy of the Area Municipal Official Plan, community plan or settlement plan which implements a policy of regional significance in the Regional Official Policies Plan.
- 11.58 Having approved a subdivision plan, zone change,

- severance, or minor variance, the area municipalities be required to send a copy of the decision to the Regional Municipality.
- 11.59 Within thirty days after receipt of notice of the area municipal decision, the Regional Council be entitled to pass a resolution indicating its intention to reject or modify the decision, stating its reasons and outlining its recommended course of action. Barring such a resolution, the local decision becomes final.
- 11.60 Regional Council be permitted to allow a further thirty days before a final decision in order that the local council or applicant is able to respond. If still unsatisfied, the local council or applicant should be able to appeal to the Ontario Municipal Board on the grounds that the Regional Council did not have a reasonable justification for modifying or rejecting the local decision.

## **Chapter Twelve Provincial/Municipal Relations**

- 12.1 The Province expand the delegation of responsibilities to local governments subject to some assurance that the municipalities to which each function is delegated is a sound local government capable of carrying out the function.
- 12.2 The Province explicitly recognize that some municipalities have a greater capacity than others to carry out government functions.
- 12.3 For each function of government that could be a local function, the Province establish a set of criteria to determine upon what basis a municipality might qualify for delegation of that function.
- 12.4 The Province undertake to co-ordinate its various ministries so that they reflect a consistent policy on local government. That policy should be based on a recognition of the importance of a strong system of local government and a common definition of the characteristics of a good system of local government.

- 12.5 The Province continue to implement its stated policy of reducing the number of local special purpose bodies and begin to restore to municipal councils statutory responsibilities now vested in separate local agencies.
- 12.6 The Province develop less distortionary and expensive methods of controlling local governments than conditional grants. As a minimum, the reduction of grants as recommended by the Grant Reform Committee should be pursued (although not necessarily their redistribution of functions).

### **Chapter Thirteen: Long-Range Funding Alternatives**

- 13.1 The municipalities of Waterloo Region petition the Province of Ontario to establish it as a pilot area to be freed from the constraints of conditional grants, and provide it with funds through one of the three following mechanisms or some variation thereof: (a) Property tax replacement grant for education; (b) block grants; (c) deduction of property taxes for income tax purposes.
- 13.2 The Province of Ontario consider designating the Region of Waterloo a pilot area for the elimination of conditional grants in favour of one of these broader forms of funding.





# PART SEVEN

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## Appendices

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# Appendix A: Basis of Allocating Regional Expenditures to Cambridge

**Table A.1** Basis of Allocating Costs of Services Provided in Cambridge by the Region  
(See Discussion in Chapter Four)

Basis of Determining Costs of Services Provided in Cambridge By Region		Functions
Direct costs of services provided in Cambridge plus share of indirect costs based on proportion of Cambridge's direct costs to total direct costs	Roadways, Waste Management, Day Care	
Direct costs plus 1/3 of Capital Expenditures (on basis of Region's policy of financing 1/3 out of revenue and 2/3 by debentures after deducting estimated lot levies for water purposes). Indirect costs were allocated on basis of Cambridge's direct costs and capital revenues as calculated above to total of all municipalities in Region.	Water	
Direct costs plus share of balance of total costs calculated on the basis of levy by the Region	Grand River Conservation Authority	
Direct costs	Grants to Public Hospitals, Sewage Treatment	
Direct costs plus share of balance of costs calculated on number of uniformed police officers in Cambridge to total number of uniformed police officers in all stations excluding police officers whose responsibilities are not assigned to any particular station e.g., Police Chief and deputies, those involved in Criminal Intelligence, staff operations, professional standards etc.	Police	

Number of cases in Cambridge to total number of cases	Social Services
Number of employees in Cambridge to total number of employees	Health Unit, Children's Aid Society, Juvenile Offender Placement
Population of Cambridge to total population of Region	Waterloo-Wellington Airport
Number of Cambridge residents in Home to total number of residents in Home	Sunnyside Home
On basis of levy by the Region on information received that benefits received by Cambridge were proportionate to the amount levied	Planning and Development
On basis of levy by the Region on the assumption that benefits received by Cambridge were proportionate to the amount levied	Members of Council, Office of Chairman, Chief Administrator's Office, Finance Department, Clerk's Department, Legal Department, General Administration, Other Expenditures, Project Engineering, Properties – net, Voluntary Organization Grants, Social Resources Council, Property Maintenance

In those instances where costs were allocated on basis of numbers of cases, employees, residents etc., the figures used were 1978 figures. The percentages calculated were then applied to 1976 and 1977 on the assumption that the ratios would not have changed dramatically.

**Table A.2 Expenses Allocated to Cambridge on the Assumption that Cost Equals Benefit**

	1976 Actual Net Costs	1977 Actual Net Costs	1978 Budget Net Costs
	\$	\$	\$
Members of Council	166,723	185,392	201,173
Office of the Chairman	46,498	88,773	88,915
Chief Administrator's Office	227,753	256,350	264,818
Finance Department	579,529	668,666	717,790
Clerk's Department	338,783	409,324	394,944
Legal Department	123,769	132,451	144,214
General Administration – Marsland Centre	185,724	189,149	253,848
Other Expenditures	1,793,999	309,670	736,470
Project Engineering	34,253	40,470	49,128
Properties – net	142,999	128,085	183,103
Property maintenance	25,619	33,379	35,180
Voluntary Organization Grants	258,480	286,000	257,328
Social Resources Council	—	—	15,000
<b>Total</b>	<b>3,924,129</b>	<b>2,727,709</b>	<b>3,341,911</b>
Cambridge's Share per Regional Apportionment	22.945%	23.182%	23.183%
	900,391	632,338	774,755



## Appendix B: Basis of Determining Cambridge's Estimated 1978 Costs of Those Functions Now Being Provided by the Region of Waterloo

**Table B.1** Basis of Determining Cambridge's Estimated 1978 Costs of Those Functions Now Being Provided By the Region of Waterloo (See Discussion in Chapter Four)

Basis	Functions
Discussion with staff of Cambridge	Planning & Development, Other
Estimated direct costs in 1978 of construction, maintenance, debt charges and traffic signal installation and maintenance.	Roadways
Overhead estimated after discussion with Cambridge staff.	
Estimated 1978 direct costs of Cambridge landfill site plus costs of supervision, etc. as discussed with Region staff	Waste Management
Discussion with Ministry of the Environment and Region staff re standard costs, number of tests and costs of collection	Pollution Control
Re-constructed budgets with information from provincial ministries and other municipalities. In some cases it was possible to identify some of Cambridge's direct costs e.g. day care centres like Christopher House	Social Services, Day Care, Health Unit
Number of Cambridge residents to total number of residents multiplied by 1978 budget net costs	Sunnyside Home
Number attributable to Cambridge to total number multiplied by 1978 budget net costs	Juvenile Offender Placement

Cambridge's direct benefits, debt charges plus share of other costs based on equalized assessment	Grand River Conservation Authority
Cambridge's population to total population of Cambridge, Waterloo, Kitchener and Guelph multiplied by 1978 budget	Waterloo-Wellington Airport
Direct Costs	Grants — Public Hospitals
Average of four 1978 Police Budgets (2 in immediate vicinity with similar populations as Cambridge and two with large geographic areas to cover. The average population of these two approximated Cambridge's)	Police
Direct Costs	Sewage Treatment
Average of Cambridge's population to total population of Region and Cambridge's share of General Welfare Assistance case load multiplied by Region's 1978 budget net costs	Children's Aid Society
Direct costs as shown in Region's 1978 budget plus 1/3 of capital expenditures (net of Cambridge's share of lot levies for water). Indirect costs were calculated on the basis of discussion with Cambridge staff	Water
Direct costs as billed to Region by Ministry of the Environment and then passed on to area municipalities	Sewage Treatment

# Appendix C: Estimate of Financial Effects If Cambridge Had Seceded January 1, 1978

Table C.1 Recalculation of Regional Apportionment and Regional Levy As If Cambridge Had Seceded January 1, 1978

Municipality	Weighted Equalized Assessment After Secession Amount	%	Revised Requisition	Library Requisition	Total Requisition	Per Capita & Density Grants	Net Requisition
	\$		\$	\$	\$	\$	\$
Cambridge	—	—	—	—	—	—	—
Kitchener	1,286,158,949	58.9280	12,740,802	—	12,740,802	3,345,375	9,395,427
Waterloo	528,355,776	24.2077	5,233,938	—	5,233,938	1,286,825	3,947,113
North Dumfries	51,824,912	2.3745	513,390	26,060	539,450	146,280	393,170
Wellesley	52,736,206	2.4162	522,406	26,517	548,923	192,990	355,933
Wilmot	99,788,998	4.5720	988,510	50,179	1,038,689	319,410	719,279
Woolwich	163,729,759	7.5016	1,621,918	82,330	1,704,248	485,670	1,218,578
<b>Total</b>	2,182,594,600	100.0000	21,620,964	185,086	21,806,050	5,776,550	16,029,500

**Table C.2 Estimated Effect On 1978 Net Expenditures of the Region of Waterloo If Cambridge Had Seceded January 1, 1978**

	1978 Regional Budget	Estimated Reduction of Cambridge Secession	Net Balance
	\$	\$	\$
Members of Council	201,173	35,000	166,173
Office of the Chairman	88,915	—	88,915
Chief Administrator's Office			
Administrative Officer	73,047	—	73,047
Personnel	166,533	—	166,533
EMO & Safety Program	23,698	—	23,698
Fire Co-ordinator	1,540	—	1,540
Finance Department			
Finance	709,290	—	709,290
Fleet Maintenance	8,500	—	8,500
Clerk's Department	394,944	13,500	381,444
Legal Department	144,214	—	144,214
General Administration			
Marsland Centre	253,848	—	253,848
Other Expenditures	736,470	184,800	551,670
Planning and Development	558,170	33,000	525,170
Engineering Department			
Roadways	4,737,612	766,626	3,970,986
Waste Management	1,292,609	305,424	987,185
Project Engineering	49,128	—	49,128
Properties	183,103	—	183,103
Property Maintenance	35,180	—	35,180
Social Services	1,934,410	611,092	1,323,318
Sunnyside Home	357,500	38,968	318,532
Day Care	222,877	82,432	140,445
Health Unit	517,431	111,853	405,578
Juvenile Offender Placement	40,000	13,333	26,667
Public Hospitals	1,070,617	456,289	614,328
Voluntary Organizations — Grants	257,328	60,000	197,328
Police	13,936,598	3,181,935	10,754,663
Children's Aid Society	514,578	153,344	361,234
Waterloo-Wellington Airport	82,899	18,321	64,578
Social Resources Council	15,000	—	15,000
Grand River Conservation Authority	1,587,415	463,416	1,123,999
<b>Total</b>	<b>30,194,627</b>	<b>6,529,333</b>	<b>23,665,294</b>

**Note**

Library expenditures of \$185,086 have not been included above as they are apportioned to the Townships only.

**Table C.3 Estimated Effect on 1978 Miscellaneous Revenues and Per Capita Grants If Cambridge Had Seceded January 1, 1978**

	Regional Budget	Estimated Reduction of Cambridge Secession	Net Balance
	\$	\$	\$
Per Capita Grants	7,593,550	1,817,000	5,776,550
General Support Grant	1,120,000	225,000	895,000
Supplementary Taxes	300,000	75,000	225,000
Miscellaneous Revenues	10,000	—	10,000
Income From Investments	150,000	—	150,000
Prior Years Surplus	995,000	230,670	764,330
<b>Total</b>	<b>10,168,550</b>	<b>2,347,670</b>	<b>7,820,880</b>



**Table C.4 Basis of Determining Estimated Reduction in Regional Costs If Cambridge Had Succeeded January 1, 1978**

Basis	Functions
Discussion with Region staff	Office of the Chairman, Administrative Officer, Personnel, EMO and Safety Program, Fire Co-ordinator, Finance Department, Clerk's Department, Legal Department, General Administration – Marsland Centre, Project Engineering, Properties, Property Maintenance, Other Expenditures, Voluntary Organization Grants, Social Resources Council
Direct costs plus estimates in reductions of other costs by consultation with Region staff	Members of Council, Roadways, Waste Management, Social Services, Day Care, Health Unit, Police
Direct costs	Public Hospitals
Number of Cambridge residents to total residents in Sunnyside Home	Sunnyside Home
Number attributable to Cambridge to total number multiplied by Region's 1978 budget net costs	Juvenile Offender Placement
Average of Cambridge's population to total population of Region and Cambridge's share of General Welfare Assistance case load multiplied by Region's 1978 budget net cost	Children's Aid Society
Cambridge's population to total population of Cambridge, Waterloo, Kitchener and Guelph multiplied by 1978 budget	Waterloo-Wellington Airport
Direct costs plus share of other costs based on equalized assessment	Grand River Conservation Authority

## APPENDIX D

# List of Commission Publications

Prospectus	October 1977
A Collection of Perspectives on Municipal Planning	May 1978
Financial Data Base	May 1978
Public Attitude Survey	June 1978
Environmental Services	August 1978
An Analysis of Computer Use in Waterloo Local Governments	August 1978
Purchasing in Waterloo Local Governments	August 1978
Representation and the Electoral System in the Region of Waterloo	September 1978
Planning Administration and Development Control in the Region of Waterloo	October 1978
Municipal Services in Cambridge and Woolwich 1969-1976	October 1978
Operational Summary: A Summary of the Costs and Benefits of Regional Government in Waterloo	November 1978
Issues in Municipal Finance	November 1978
Roads and Transportation in the Region of Waterloo	November 1978
Decision Makers in Local Government	December 1978
Police Governance in Waterloo Region	December 1978

The Organization of Social Services in Waterloo Region	December 1978
Water Management on the Grand River: A Provincial/Municipal Dilemma	December 1978
*Study of Municipal Salary Expenditure	December 1978
*Space-Saving: An Examination of a Regional Headquarters	December 1978
*The Effects of Electing Municipal Councils by Ward or at-Large: A Preliminary Comparison in Ontario Cities	December 1978
Final Report	March 1979
*Limited Distribution	

## Some Comments on Research

### **Introduction, Acknowledgements and Corrections**

In September of 1977 when the Review Commission first opened its offices in Waterloo, we made two fundamental decisions which we still believe were among the most important we faced throughout the period of the review. First, we decided to publish all of the major research which the Commission undertook. This we believed was important for public awareness, debate of the issues, and development of a consensus about the direction in which we should go. Second was the decision to conduct most of the research "in house" by planning, outlining, and defining each research project ourselves. The Commission became intimately familiar with the details of the local government structure here, and was not dependent upon consultants to develop its perception of various organizations and services. Furthermore, considerably more research could be undertaken due to this less expensive approach. We were extremely fortunate in having available to us throughout the course of our studies some very highly qualified and enthusiastic staff who assisted us in our research, and who contributed to our publication of nineteen research studies.

In many cases the preceding fourteen chapters reflect the knowledge and the recommendations provided by the research reports. In some cases, however, the discussion following the publication of the report or further information that came to our attention convinced us that there was reason to move away from some of the research recommendations.

It had been our intention to provide a summary of our research; however, an undertaking of this magnitude would have doubled the size of this report. We have, therefore, limited our summary to a subject which we consider to be a highly significant factor of any democratic form of government, that is the perspective from which the government operation is viewed by its citizens and institutions. It is a summary of the public attitude toward local government which

we have perceived through public hearings, petitions and letters, interviews with officials and the general public, and a survey conducted for the Commission.

All research reports are available in libraries within the Region of Waterloo and in many municipal offices. They are also available in some provincial government libraries. The Intergovernmental Committee on Urban and Regional Research is also making copies available to its members.

The Commission is very grateful not only to its staff members who often gave far more than duty demanded to their research projects, but also to the great many local government politicians, staff members, and board members whom we are sure at times believed we were a source of endless inquiries for information and opinions. On the whole, we received tremendous co-operation from all parties locally. To a large extent, any value which the research reports contained is due to the local commitment put into their research.

We are generally pleased and encouraged by the reception the research studies received, even though in many cases, the analyses they contained were not cause for celebration among local governments. Sharp disagreements with the conclusions of several research documents were well publicized in the local media. We make no apology for the debate and, indeed, dispute which may have arisen from time to time from the research documents. There are, however, two instances where clarification is required. In one case, we erred and embarrassed the planning staff and council of the City of Cambridge. In the other case, new information has come to our attention that suggests the conclusions in one of the research projects concerning the operation of the Cambridge Fire Department were not justified.

### Planning in Cambridge

In the *Operational Summary*, pages 59, 60, and 61, figures applying to expenditures by each municipality on both planning and development were shown as relating strictly to planning. For all municipalities, this showed a slightly higher figure than was accurate. However, only the Cambridge figure was distorted to a major degree.

Cambridge is involved in an active industrial development effort which involves the payment of annual debt charges on the purchase of substantial quantities of industrial land. The annual cost of those debentures was included in Cambridge's planning expenditures. This



then showed that Cambridge spent twice as much as any other municipality. On page 62 of that report we concluded from these figures that Cambridge's spending is considerably out of line.

As the Cambridge Planning Director brought to our attention, the actual planning cost of the City of Cambridge amounted to far less than that. Including the regional expenditure, the actual planning cost per household in Cambridge amounted to \$15.99. This compared to \$18.45 in Kitchener, \$11.56 in Waterloo, \$15.70 in Woolwich, \$10.34 in Wilmot, \$12.74 in Wellesley and \$17.35 in North Dumfries. We apologize for this error.

### Fire Protection in Cambridge

The cost of fire protection in Cambridge has climbed dramatically in the last several years. It was one of the subjects that was looked at very closely during the research which led to the report, *Municipal Services in Cambridge and Woolwich 1969-1976*. That report made a number of fairly strong statements about the lack of objectives in place for the Cambridge Fire Department. It was highly critical of the Cambridge council and the senior staff of the department for spending as much money as it had without having clearly defined objectives.

Subsequent to the publication of that report and the following *Operational Summary*, the Cambridge Fire Department contacted the Review Commission and explained that clearly defined objectives were given to the Cambridge Fire Department in 1973 and that, in fact, all but one of those objectives had been met. We examined the documents supplied to us by the Fire Department and concluded that indeed they indicated a much clearer set of objectives than our researcher had concluded was present. In fairness to the Cambridge City Council and Fire Department, we feel compelled to say that we believe the strongly critical comments made in our research reports were not justified. In fairness to our researcher, however, given the information made available to him at the time, such a conclusion was reasonable.

### The Public Attitude

This summary was compiled by Suzanne Jackson, a most dedicated member of the Commission's research staff. It is a credit to her that

she has reduced to a few comprehensible pages, a massive quantity of data and information compiled over the course of the eighteen months of study. Miss Jackson has managed to integrate two whole research publications, parts of others, all of the letters and formal submissions received by the Commission, and in concert with Mrs. Ann Juurinen – the results of over two hundred interviews with municipal councillors and others.

## **The Issues**

One very important part of preparing the final recommendations relating to a review of regional government is to ask for and seek out the opinions of the public. This was done in several ways. The Commission undertook two public opinion studies: *A Collection of Perspectives on Municipal Planning* in May 1978, and a *Public Attitude Survey* in June 1978. In addition, the Commission called for submissions from individuals, groups and organizations, councillors and local governments. An important part of the Commission's unpublished work includes interviews with all 73 municipal councillors in the Region conducted primarily in November and December of 1977. In addition, it conducted interviews with 118 citizens referred to the Commission by the councillors.

The information obtained from all of these sources was used to identify problem areas and issues. These issues formed the context into which the Commission's research fits. The following is a summary of the nature of the public attitude towards local governments in the Region of Waterloo.

## **Does Regional Government Cost Too Much?**

During the review many points have been put forward, but some have occurred more often than others. One of these common issues was the cost of regional government. People believed that their property taxes were rising by leaps and bounds, and associated this with regional government. Some laid blame on staff salaries, saying that they were too high. Others took exception to some of the things government is now doing, or to some of the methods of operation it has adopted. Complaints about high taxes were received from across the Region but were more frequent from individuals and organizations in Cambridge.

When the councillors were questioned as to whether the costs of

regional government were greater than its benefits, 40% believed costs exceeded benefits, 30% believed benefits exceeded costs and 30% were not sure. When these same municipal councillors were asked whether regional government was responsible for most cost increases, they replied "yes" in the following order: North Dumfries (71% of council); Wellesley, Waterloo, Kitchener, Woolwich and Wilmot on a descending percentage to Cambridge (27% of council). Only in North Dumfries and Wellesley did more than 50% of the councillors put the blame for higher costs on regional government. Perhaps the most significant observation to be made in this respect is that Cambridge councillors were less inclined than councillors from any other area to blame tax increases on regional government.

The majority of the citizens recommended by area municipal councillors for interviews (recommendées) who replied to the cost/benefit question believed that regional government was not a reasonable return for the money. In this same group of citizens, however, there is almost an equal number satisfied with regional government as there are those dissatisfied.

As a reflection of the degree of satisfaction with regional government, the perceptions of the councillors as to which area municipalities have financially won or lost since restructuring are useful. Wilmot and Wellesley were the only ones that did not see themselves as losers. North Dumfries councillors believed only Cambridge to be a winner. The urban councillors saw Kitchener and Waterloo as losers; the rural councillors saw the four townships as losers; and the regional councillors as a whole saw no one as a loser, with Kitchener and Waterloo as borderline cases.

The submissions and letters from individuals (many were angry citizens of Cambridge) perceived Kitchener to be a winner and Cambridge to be the biggest loser. This is contrary to the views of the councillors as a whole who saw Cambridge as a winner, Kitchener as even, and Waterloo as a loser.

### **Are the Levels of Service Provided Good or Poor?**

Another measure of the capacity of regional government is the public's satisfaction with local government services. The 118 interviewed citizens recommended by the councillors showed a balance of opinion which indicated that education, planning, and industrial development had deteriorated or were poorly handled in terms of service. Those in rural areas expressed discontent with

water and sewage services as well as flood control. North Dumfries respondents were the only ones to voice dissatisfaction with waste management; and there were complaints about health and day care services from those recommendees in Wilmot. Mainly positive comments were received for fire, police, parks and recreation and libraries.

Over one hundred letters were received in response to the Commission's call for comments. A different picture was presented by these letters. Much of the mail was received from residents of Cambridge who perceived a deterioration in all services except transit. These people had no special love for their new City of Cambridge; shots were fired against services provided by the city and the Region alike. Citizens from other municipalities had more favourable comments to make about the level of service provided by the local governments. However, complaints were received from across the Region on the subject of planning.

In the *Public Attitude Survey* of 4,000 residents conducted by the Commission, there was little genuine dissatisfaction expressed concerning the services provided. Police, schools, fire, parks and recreation, and libraries were rated highly in general. Roads and planning received the lowest ratings. The residents of the Cambridge urban complex were somewhat less satisfied with service, particularly roads, than those in the Kitchener, Waterloo or Guelph urban samples. The sample comprising the Townships of North Dumfries, Wilmot and Wellesley expressed dissatisfaction with day care service.

For comparison purposes, the Commission's *Public Attitude Survey* sampled residents of areas outside Waterloo Region – one urban area and one rural area. The urban area for comparison was the City of Guelph. In order to permit comparison with townships in this Region, a sample was taken from a composite of the Town of Fergus, the Township of Nichol, the Township of Pilkington, and the Township of Guelph. In comparing the views of residents outside the Region with those of residents within the Region the regional government structure in Waterloo was seen to have provided a slightly better level of service to the rural areas and a slightly lower one to the urban areas. However, it was generally observed that the residents of urban areas were more satisfied with the services received than those in rural areas both within and outside of the regional government area.



Because public concern has been voiced about rising costs and the level of service, studies of the expenditures and evaluations of the service levels form major parts of the research done by the Commission (i.e., *Financial Data Base*, *Environmental Services*, *Municipal Services in Cambridge and Woolwich 1969-1976*, and *Operational Summary*). Services identified as particularly poor warranted special studies such as roads and transportation, and planning.

### **Public Understanding and Knowledge of Local Government**

The Commission frequently made strong public statements about the apparent lack of clarity in the way local government is organized. The *Public Attitude Survey* particularly demonstrated that few people are aware of which level of government performs which functions. People complained that there was too much government and they suspected that duplication was commonplace. Duplication was one of the issues mentioned most often in the submissions to the Commission. At every opportunity, in every study the research staff of the Commission searched for duplicative or unnecessary activity, and sought ways to reduce it.

It was pointed out to the Commission in a brief by M. Belvedere and P. Smith entitled "The Teaching of Local Government in the Waterloo Region" that one of the reasons that the citizens do not know where the responsibility lies for various government services is the lack of education in local government at the public school and high school levels. Research has shown beyond doubt that people do participate more if they are better informed. Belvedere and Smith suggested several steps that are necessary to bring better local government education into being.

Just how little the citizens do know about their local governments was pointed out in the *Public Attitude Survey*. About four hundred citizens in each sample area were asked to identify the government body responsible for education, flood control, fire protection and police. Only one in 75 of the respondents gave the correct answers to all four questions. (The correct answers are respectively the Waterloo County Board of Education or Waterloo County Separate School Board, the Grand River Conservation Authority, the area municipal governments, and the Waterloo Regional Board of Commissioners of Police.) These four services represent the most expensive and the major local government



emergency services to residents of the Region. Therefore, they should be well-known to everyone. Perhaps more shocking than the general lack of knowledge was the fact that no authority was correctly identified by more than 40% of the respondents in each sample area. The monograph itself contains the details of this study and is mandatory reading for anyone concerned with the state of local democracy.

Ilyniak, Faraday and Myhal also did a study on citizens' knowledge of local governments. Their results were presented to the Commission in a submission entitled "Perceptions of Accessibility to Regional Government by Businessmen in Waterloo and Elmira." Most respondents could not identify the functions of the different levels of government nor did they have a basic knowledge of regional government. Perhaps the key finding of this study was the less knowledgeable a person was about regional government, the more likely he was to say it was ineffective and unresponsive.

Two further points emerged from the Commission's *Public Attitude Survey*. One was that Elmira residents are the best informed. The other point was that more people admitted to not knowing which authority was responsible for education than confessed ignorance about any other service, despite the fact that education is by far the most expensive and one of the most important services provided by a local government body.

This lack of knowledge about the workings of local governments fosters distrust and mistaken impressions. The Commission observed on several occasions that local government must be made more comprehensible through efforts of the media and each government body. The voters themselves must make an effort to understand their government. The education system should include programs to teach young people about municipal affairs. In addition, it is axiomatic that a system which is more straight forward in its structure will foster better understanding and greater access for the public.

Contributing to the belief that there is too much government in the Region of Waterloo is the perception that the Province has now increased its controls over municipal matters. A majority of the citizens interviewed believed that the Province has more control since regional government than it had over the previous system.

To accompany the perceptions that there are too many governments, there were suggestions for one-tier governments as a partial solution to the problem. These proposals included a one-tier

region (favoured by some Kitchener councillors); two one-tier regions made up of Cambridge and North Dumfries on the one hand and the rest of the Region on the other (favoured by the City of Kitchener and the City of Cambridge); and three one-tier regions corresponding to the areas covered by the present hydro commissions.

The councillors of all the rural municipalities and the City of Waterloo opposed any form of one-tier government. Submissions from rurally-based community organizations and municipal governments stated that they were accustomed to operating within a two-tier system of government and that this was the preferable situation. Some residents of Elmira expressed a desire to become independent of Woolwich but this opinion was not revealed to be widely popular.

### **Is Regional Government Accessible and Accountable?**

Prominent among the opinions in favour of a one-tier system of government is the view that the present system is too remote; citizens feel powerless to influence decisions by government. The citizens questioned on the advice of the councillors were asked whether they thought regional government was accessible to the average citizen. The answer was “no” by a slight majority, although about two-thirds of the councillors believed that adequate public involvement in municipal affairs already exists.

In the *Public Attitude Survey*, respondents were asked how much of an effect they thought they could have in altering government proposals at the provincial, regional and local levels. In general, the results indicated that the respondents believed they had more influence on the governments closest to them – greatest on local council, next on the Regional Council and least on the Provincial Government. The greatest number of residents with a sense of influence on the Regional Municipality came from the City of Waterloo and the least number came from Elmira. The greatest number of residents with a sense of influence on the most local level of government came from Elmira, and the least, from Hespeler. A sense of being able to influence government and the degree of satisfaction with government are related. In this case, residents of the City of Waterloo were the most satisfied with regional government and believed they had the most influence, while residents of Elmira were the least satisfied and believed they had the least influence.

The most common criticisms of the Region which were volunteered during the *Public Attitude Survey* were the apparent duplication of services and the lack of accountability to the public. Accountability leads to the issues of representation. Concerning Regional Council, there were comments that regional councillors do not view things regionally. Under the present system of indirect election to regional government, the first loyalty of every councillor is apparently to his or her local council. In this connection, the councillors were asked whether they favoured direct election to Regional Council (that is, a system where councillors were elected to the Regional Council only). A majority (64%) opposed such a move. However, the councillors favoured the direct election of regional chairman by a slim margin, as opposed to the present method where the regional chairman is selected every two years by the newly constituted Regional Council. When regional councillors alone were considered, they opposed the direct election of regional chairman by a slight majority.

Among the 118 citizens recommended for interview the balance of opinion ran almost 50% "yes" and 50% "no" to the question, "Do you have adequate representation on Regional Council?" The councillors themselves found regional representation adequate except for most of the councillors from Waterloo and North Dumfries. Waterloo councillors believed an adjustment should be made in the number of councillors representing that city on Regional Council because of the large population increase it has experienced. North Dumfries believed that one voice on Regional Council was not enough. All councillors believed that they were well represented at the local level.

Some of the discontent that North Dumfries has expressed concerning representation on Regional Council may have arisen from perceptions of domination of council by one group or another. Very few councillors believed that there was rural domination of council. However, Cambridge, Wellesley and North Dumfries councillors considered that urban domination existed. Cambridge also believed that there was domination by the northern part of the Region.

Issues concerning representation are central to the Commission's work (see the monograph entitled *Representation and the Electoral System in the Region of Waterloo*).

One of the reasons residents of Cambridge cite for their dissatisfaction with the present state of affairs is the loss of community

identity. Long-time residents of Galt, Preston and Hespeler naturally identified with these former municipalities. Almost one-third of the letters the Commission received from Cambridge expressed a real concern for the decrease in community identity. Amalgamation of the three former municipalities into the City of Cambridge occurred at the same time as regional government and this doubly upset many Cambridge residents. It has also served to confuse cause and effect in the minds of many Cambridge people. Much of the correspondence received by the Commission as well as many comments in a poll on the question by the Cambridge Daily Reporter indicated that the Region was being blamed for problems which were the responsibility of the city.

In his brief to the Commission called "Regional Government and Community Identity," R. Christy commented that too many things change quickly in today's world and it would be best to maintain the identity of the former community structures as much as possible.

### **The Research Concerning Special Purpose Bodies**

Evidence of the confusion concerning where the responsibility lies for certain services was presented in the *Public Attitude Survey*. Much of the confusion centres around the fact that it is not the municipal government – either regional or local – which is responsible for many services but a special purpose body.

Submissions to the Commission also identified problems with the common use of recreation, education, government and library facilities. R. Dragushan et al produced a brief to the Commission on this subject, "Co-operative Use of School and Community Recreation and Education Facilities." This report suggested that the municipalities and school boards co-operate in the use and maintenance of their facilities. It suggested that this could be encouraged by linking provincial funding for schools to the levels of community use and by finding less expensive methods of school supervision for community use.

When those citizens referred to the Commission by the councillors were asked about government agencies, their overwhelming comment was that there were too many. Some dissatisfaction with the budget-setting practices of the various bodies was expressed. The majority of councillors in each municipality except the City of Waterloo wanted to see Regional Council approve the budgets for all special purpose bodies. The bodies being discussed are the Board of



Education, Separate School Board, the Grand River Conservation Authority, the Police Commission, the Hydro Commissions, the Family and Children's Services (formerly Children's Aid Society) and the Library Boards. Whether or not these agencies should become committees of Regional Council is discussed in various monographs produced by the Commission: *Police Governance in Waterloo Region*, *Water Management on the Grand River: A Provincial/Municipal Dilemma*, and *The Organization of Social Services in the Region of Waterloo*.

## **Organized Groups**

The Commission received many briefs and submissions from special boards, organized groups, commissions and governments. Collectively, their opinions were of interest to the Commission and will be summarized here.

### **Hydro Commissions**

The hydro commissions in this Region were re-organized in January, 1978 and as such were having a few growing pains during our period of study. However, reports from Cambridge and North Dumfries Hydro and Waterloo North Hydro indicate that they are satisfied with their relationships with the municipal governments and the Region. They argued adamantly that they should remain as independent commissions rather than become committees of regional or local council.

### **Library Boards**

The Commission received briefs from the Cambridge, Waterloo and Kitchener Public Libraries. Library services in this Region compare favourably to other municipalities in the Province. Since the Region was formed, the libraries have improved their co-operation, both within and outside the Region. However, it was strongly believed by all three library boards that library services should remain a local responsibility. They opposed making the library board a committee of council. An appointed board which used the energies of interested citizens was believed to be best for library government. The Cambridge Library Board also mentioned that they oppose the removal of the provincial conditional library grant. The Kitchener and Waterloo Library Boards supported the idea that library boards should be appointed entirely by city councils.



## Chambers of Commerce

Ayr and District Chamber of Commerce and Waterloo Chamber of Commerce both opposed one-tier government. They believed that although regional government had room for improvement, two tiers was an acceptable form of government. Some members of the Elmira and Woolwich Chamber of Commerce advocated the independence of Elmira from the Township of Woolwich.

Cambridge Chamber of Commerce reinforced the views expressed by other citizens of Cambridge. In a ballot survey it conducted, all 188 replies stated that they did not approve of regional government nor think it was an improvement over the old system. The Chamber suggested that three one-tier regional municipalities based on the hydro commission boundaries would solve some of Cambridge's problems. The Chamber stated that Cambridge residents did not identify as much with the rest of the Region of Waterloo as they did with Hamilton, Brantford and Toronto. Not only did the residents of Cambridge have an identity crisis within the city, this extended to include the Region as well.

Kitchener Chamber of Commerce also suggested the formation of two or three one-tier governments. Its members believed that this suggestion would solve the problems of unclear accountability, duplication of costs, and the non-regional views of Regional Council.

Both the Waterloo and Kitchener Chambers of Commerce expressed objections to the Region's active role in planning. They advocated that much more planning be a local responsibility.

## Conservation Issues and Groups

The Grand River Conservation Authority of today arose from a conservation commission set up in 1939 in the Grand River valley. Part of its original mandate was to ensure an adequate water supply to all parts of the area it serviced. As the Region of Waterloo has long-term water supply problems, one suggestion was to construct the West Montrose dam and reservoir in Pilkington Township. In conjunction with Pilkington Township, the Valley Research Foundation (which has been looking into alternatives to the West Montrose dam) presented a brief to the Commission. Both the latter brief and the one from the Grand River Conservation Authority (G.R.C.A.) recognized that there is a lack of accountability to the public in the membership of the G.R.C.A. The G.R.C.A. suggested that the water authority be comprised of elected representatives (or

appointees) of the local governments involved. In other words, the decisions of water management should be made by locally elected people. Pilkington Township and the Valley Research Foundation went a step further and called for a reduction in the role of the G.R.C.A. executive and a re-establishment of the primary role of the local municipality. The G.R.C.A., on the other hand, expressed the view that it may be necessary to expand the role of the G.R.C.A. to include both water management and control of related land activities.

### Social Issues and Groups

Submissions were received from three important bodies in the local social services field – the Social Planning Council of Kitchener-Waterloo, the Waterloo Region Social Resources Council and the Family and Children's Services of Waterloo Region. This last body has expressed support for dealing with only one social service administration and acknowledged the high degree of professionalism which the Regional Municipality has brought to social services. However, it had concerns about the establishment of local Children's Services Committees because these would confuse the lines of responsibility and accountability for child welfare.

In 1971 and again in 1973, the Kitchener-Waterloo Social Planning Council advocated comprehensive social development planning for the Region of Waterloo that would include both social and health services. Instead, the District Health Council and the Social Resources Council were established separately. As the latter stated in its brief, there is still a need to co-ordinate social and health planning. The Social Planning Council also commented that there is little interprofessional exchange between the Social Services and the Health Divisions of the Regional Health and Social Services Department. It endorsed the present two-tier system of government but wanted the regional government to be vested with more of the present provincial responsibilities for social development.

### Planning Issues and Groups

Certain submissions dealt only with planning issues. For instance, the Urban Development Institute argued that the area councils should make the first and final decisions on development matters against a very clear set of regional criteria. Like the City of Kitchener, this Institute also wanted to see the area north of the 401 and east of Highway 8 developed for industry (Ontario Housing Corporation lands). The City of Cambridge, on the other hand, stated that the

development of this land for industry was not a high priority and it opposed its annexation to Kitchener for development.

The Waterloo Downtown Residents' Association believed that citizens should be allowed to choose whether or not they wanted neighbourhood improvements. It argued that residents of a particular neighbourhood should be able to reject proposed improvements in order to reduce the tax burden. The citizens also wanted a guarantee that they have input into the formation of secondary or community plans.

The Planning Committee for the City of Kitchener submitted a brief requesting that increased planning responsibilities be returned to the area municipalities. As this would reduce the role of the Region's Planning and Development staff, the committee would expect to see a decrease in staff, especially in view of the fact that the Regional Official Policies Plan is complete. The Planning Committee suggested that the Region provide resource people to handle specialized planning matters.

### Municipal Governments

Each municipal government in the Region except the Regional Council itself submitted a brief to the Commission. Kitchener suggested a one-tier government with or without Cambridge. Waterloo fully endorsed two-tier regional government but it wanted to see an increase in city authority. Cambridge's brief expressed views which were less adamantly one-tier than Kitchener's but less supportive of the present structure than the City of Waterloo. It expressed a desire to reduce the Region's involvement in city affairs. The townships generally approved of a two-tier system of government but they had some suggestions to improve the situation. They wanted to see more of the planning responsibilities in local hands. Nevertheless, the Region would still be involved to a certain extent in order to make sure that regional policies were followed and that the Regional Official Policies Plan was implemented properly.

The membership of the Board of Commissioners of Police was mentioned by Kitchener, Waterloo and Wellesley. They submitted that the majority of the members of the Board should be members of Regional Council or appointed by it. Cambridge believed that the police could become once again a local responsibility.

Several municipalities also favoured direct involvement in the G.R.C.A. rather than being represented on it through the Regional Municipality. The fact that the present G.R.C.A. structure is not

accountable to the public was criticized by Kitchener and Cambridge. They recommended that the jurisdiction of the G.R.C.A. be reduced.

Wellesley, North Dumfries, Waterloo and Kitchener all wanted more representation on Regional Council. The two townships felt that the workload of adequate township representation at the regional level cannot be handled by a single member, while both Kitchener and Waterloo believed that they are underrepresented by population. The desirability of these changes is discussed in the Commission's monograph *Representation and the Electoral System in the Region of Waterloo*.

When regional government came into being in 1973, the City of Kitchener said it expected the new system to be a co-operative of the area municipalities. Instead, Kitchener believes the Regional Municipality has developed as more of a separate entity which has given rise to friction. Kitchener's solution was to create a one-tier government or one large city containing both urban and rural parts.

Cambridge expressed the view that health and social services, police, water and solid waste disposal were performed well by the Region but they could be put under local jurisdiction. Their recommended separation, however, would retain several forms of association with the rest of the Region. Debentures would continue to be issued by the Region. Social and health services would stay regional until a transfer was deemed feasible. Such intermunicipal problems as linking roads, garbage disposal sites, environmental preservation, and agricultural land preservation would be planned for jointly.

The briefs from Waterloo and the townships were supportive of regional government. However, they requested that more responsibility be transferred to local councils. Both Wellesley and Woolwich mentioned the possibility of a boundary re-alignment around Heidelberg. At the moment the boundary between the two townships runs through the centre of that community.

All of the briefs and submissions were considered by the Commission and used to formulate questions for their surveys, to point out problem areas for research and to give the researchers direction.

## APPENDIX F

# Schedule of Public Hearings

May 23, 1978	Wellesley Community Centre Wellesley
May 24, 1978	City of Kitchener Council Chambers Kitchener
May 29, 1978	Township of Wilmot Council Chambers New Hamburg
May 30, 1978	City of Cambridge Council Chambers Cambridge
June 1, 1978	Woolwich Community Centre St. Jacobs
June 6, 1978	City of Waterloo Council Chambers Waterloo
June 8, 1978	Township of North Dumfries, Slater Hall R.R. #4, Cambridge
September 26, 1978	Township of North Dumfries, Slater Hall R.R. #4, Cambridge
September 27, 1978	Township of Wilmot Council Chambers New Hamburg
September 28, 1978	Region of Waterloo Council Chambers Waterloo County Court House, Kitchener
October 3, 1978	City of Cambridge Council Chambers Cambridge
October 4, 1978	Township of Wellesley Council Chambers Crosshill
October 5, 1978	Township of Woolwich Council Chambers Elmira
October 11, 1978	City of Kitchener Council Chambers Kitchener
October 12, 1978	City of Waterloo Council Chambers Waterloo



## APPENDIX G

# List of the Submissions, Briefs and Letters Received by the Commission

The Commission interviewed all seventy-three municipal councillors in 1977 and the 118 citizens they recommended to us. Further, some fifty individuals made oral comments or presentations at the public hearings. Also, a number of oral presentations were made by individuals and organizations in the Commission's office.

Numerous members of the staff of the municipalities and other government bodies also corresponded with the Commission.

### **Municipalities**

City of Cambridge  
City of Kitchener  
City of Waterloo  
Township of North Dumfries  
Township of Wellesley  
Township of Wilmot  
Township of Woolwich

### **Organizations**

Ayr and District Chamber of Commerce  
Cambridge Chamber of Commerce  
Cambridge and District Association for the Mentally Retarded  
Cambridge Public Library Board  
Central Dumfries Farmers Club  
Central Dumfries Women's Institute  
Elmira and Woolwich Chamber of Commerce  
Emmanuel Church Weekday Nursery School  
Family and Children's Services of the Waterloo Region  
Grand River Conservation Authority  
Heritage Cambridge  
Hydro-Electric Commission of Cambridge and North Dumfries

Kitchener Chamber of Commerce  
 Kitchener Public Library Board  
 Kitchener-Waterloo H.U.D.A.C.  
 Laura Rose Women's Institute  
 Lencro Limited  
 Major Holdings Limited  
 Pilkington Township and the Valley Research Foundation  
 Pine Grove Community Association  
 Planning Committee for the City of Kitchener  
 Social Planning Council of Kitchener-Waterloo  
 The Wandering Canadians Incorporated  
 Twin Cedars Development Limited  
 Urban Development Institute Waterloo Region  
 Waterloo Chamber of Commerce  
 Waterloo County Board of Education  
 Waterloo County Law Association  
 Waterloo Downtown Residents' Association  
 Waterloo North Hydro  
 Waterloo Potters' Workshop  
 Waterloo Public Library Board  
 Waterloo Region Social Resources Council  
 Waterloo Regional Heritage Foundation  
 Waterloo South District Women's Institute  
 Waterloo Young Men's Club  
 Young Women's Christian Association of Kitchener-Waterloo

### Individuals

B. Adams	D. Brodie
G. Allen	A. T. Brown
D. Amos	G. Brunsdon
A. Auerbach	M. Carroll
H. Ball	W. R. Carruthers
C. Bauman	R. D. Christy
H. Barker	H. A. Clarke
F. Barlow	I. Corless
W. J. Bastian	G. A. Crossman
M. Belvedere	J. A. Danylyk
C. E. Blow	E. Dickinson
G. Bowman	M. L. Dorfman

J. W. Downey  
 R. Dragushan  
 D. B. Dutton  
 L. Duxbury  
 H. D. Dyer  
 G. P. A. Evans  
 B. Evered  
 S. Faraday  
 A. H. Ferguson  
 G. Fettham  
 L. Finlay  
 E. M. Fowler  
 J. W. Fretz  
 D. Geil  
 J. Gilmore  
 F. S. Graham  
 J. Gray  
 N. D. Greb  
 W. A. Green  
 G. T. Harris  
 C. H. Hartleib  
 H. Hendricks  
 H. Hertel  
 L. Hertel  
 V. Holland  
 W. E. Howard  
 B. Hunsberger  
 W. A. Hunsberger  
 M. Ilyniak  
 G. Ireland  
 Y. Jagiellowicz  
 B. Jeffery  
 B. Johnston  
 T. Johnston  
 G. Julian  
 M. Kelly  
 S. Klein  
 S. Larios  
 L. N. Lewis  
 F. Lisso

D. F. MacRae  
 W. Martin  
 A. Mathieson  
 A. Matulewicz  
 V. Mauceri  
 D. McCleary  
 K. McCulloch  
 P. McGhee  
 H. McHugh  
 I. A. Meikleham  
 N. Merner  
 M. J. Mewhinney  
 J. Micak  
 F. Miele  
 M. J. Mitchell  
 W. D. Moffat  
 K. Morrison  
 A. J. Morton  
 T. Myhal  
 B. Paterson  
 H. Paterson  
 E. Poll  
 G. B. Priddle  
 R. Purkis  
 S. Rahn  
 C. J. Railton  
 F. J. Reid  
 R. A. Rickard  
 C. Rogers  
 C. Rupnow  
 E. Sage  
 N. Sangoi  
 H. E. Schmidt  
 W. J. Schmidt  
 J. Sells  
 A. H. Shirving  
 P. Smith  
 L. A. Soiderer  
 E. Sommerville  
 E. M. Straus

S. Sutherland  
N. A. Thomas  
P. Thomson  
R. Thomson  
W. E. Thomson  
J. Tippin  
B. Turnbull  
G. Vandeworp

B. Verdun  
D. W. Vincent  
J. Wagner  
W. E. White  
N. Wismer  
M. E. Woodhouse  
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## APPENDIX H

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